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NEWS SUMMARY

GENERAL

Malaga air crash kills at least 46
At least 46 people were killed and about 90 injured when a DC-10 crashed and caught fire at Malaga, Spain, while taking off for New York.

Chinooks down
The U.S. Army grounded all Boeing CH-47 Chinook helicopters for 72 hours following Saturday's crash near Mannheim, West Germany, when 46 people died.

Seven die on M6
Seven people died on the M6 near Wigan when a 32-tonne lorry crashed into their mini-bus which was broken down on the hard shoulder.

Grace in crash
Princess Grace of Monaco broke her leg and her daughter Stephanie suffered concussion after the brakes failed on their car on a mountain road near Monte Carlo.

P-2 chief caught
Italian authorities are to demand extradition of Sig Licio Gelli, fugitive head of the disbanded P-2 Freemasons' lodge, who was captured at a Geneva bank.

Suspect gives up
Joachim Fischer, 35, wanted in Italy for suspected involvement in the 1980 Bologna train station bombing which killed 85 people, gave himself up in Frankfurt.

Zimbabwe curbs
Zimbabwe said foreign journalists will in future have to tell the Government of any trips beyond 25 miles of Harare or Bulawayo.

Armenians held
Turkey's foreign ministry said British police had captured two Armenian terrorists planning an attack on the Turkish Embassy in London.

Ulster jail fast
Three prisoners in Belfast's Crumlin Road jail started a hunger strike, demanding to be freed. They are backed by the Irish Republican Socialist Party.

Job scheme veto
The National Association of Councils for Voluntary Service will recommend affiliates not to take part in the Community Programme Scheme for long-term jobless.

86 over 100
China's census has found 86 people in Hubei Province over 100 years old, most of whom are vegetarians.

Loudmouth
Tony Fieldhouse, 25, a bingo caller from Bradford, set a men's record of 111.9 decibels at the official world shouting championships in Scarborough.

Briefly...
Typhoon Judy killed at least 25 people in Japan.
Bolivia's international phone system was halted by a strike.
Israel's El Al airline was grounded by a strike of stewards over the dismissal of three colleagues.
Avelina Savitskaya, the second woman in space, was awarded the Order of Lenin.
Dmitriy Ustinov, exiled leader of Tibet, met vigorous heads in Moscow.

BUSINESS

\$ strong against franc and yen
DOLLAR rose to Y264.2 (Y262.75), a five-year high. DM 2.5215 (DM 2.498) and a record. FFR 7.13 (FFR 7.0225). Trade-weighted index was 123.1 (122.7). Eurodollar interest rates firmed for the second day - the three-month rate was up 1 percentage point to 12 1/2 per cent, up 2 per cent in three weeks.

STERLING fell 60 points to \$1.705, but rose to DM 4.3 (DM 4.2925) and FFR 12.15 (FFR 12.14). Trade weighted index was unchanged at 91.7.

GILTS were nervous as investors took profits on receding hopes of clearing bank interest rate cut. Government Securities Index dipped 0.43 to 77.45.

EQUITIES lost ground on economic worries. FT 30-Share index retreated 2.0 to 73.56.

WALL STREET was up 1.29 at 908.11 near the close. Page 32

GATT (General Agreement on Tariffs and Trade) asked Japan to co-operate in formulating a system to define conditions under which governments could curb imports. Page 6

CONSTRUCTION industry's output in the first half was 1.5 per cent down on the same period last year. Page 8

BRITISH GAS has ordered an \$11m platform jacket for the Murceombe gas field from RGC Offshore at Methil, Fife. Page 8

GLOBAL Natural Resources annual meeting, at which some shareholders sought to remove the board, took place yesterday. Outcome of voting is expected about noon today.

RETAIL sales volume in August was 0.4 per cent up on July to its highest point this year. Back Page

ICL has won a £15.8m contract for small computer systems for the New York State Department of Social Services, the company's largest ever overseas order. Back Page

IBM is to form a joint venture with trading house Kanematsu-Gosho for office equipment sales and servicing in Japan. Page 24

STR international energy and engineering group, raised taxable profit by 13 per cent to £48.7m in the six months to July 3. Page 21; Lex, Back Page

AMEY ROADSTONE, wholly-owned subsidiary of Consolidated Goldfields, reported pre-tax profits virtually unchanged at £28.5m (£28.8m) in the year end June. Page 20; Lex, Back Page

Britain calls off its financial sanctions against Argentina

BY DAVID TONGE IN LONDON AND JIMMY BURNS IN BUENOS AIRES

BRITAIN yesterday announced the lifting of financial sanctions between London and Buenos Aires, opening the way for a restructuring of Argentina's \$37bn (£21.7bn) foreign debt. The British Treasury said its financial sanctions on the Argentine government and Argentine residents would be discontinued at midnight, London time, last night. It also said that from the same time the Argentine authorities would end their financial restrictions on British businesses in Argentina. However, the Foreign and Economy Ministers in Buenos Aires would only say last night that lifting their sanctions was "under consideration". The sanctions affect \$1bn of Argentine assets in Britain and \$4bn of British assets in Argentina. The mutual lifting is important, both because it represents a further step back from confrontation and because it will allow Argentina to take the steps necessary to restore payments on its debt and pave the way for negotiations with a team from the International Monetary Fund. Both Britain and Argentina came under strong pressure from the U.S. last week to end the freezes they imposed on each other's assets at the outbreak of the Falklands crisis. The U.S. was particularly keen to remove uncertainties over Argentina's debt at a time of general anxiety over Third World borrowing. The agreement reached by the two countries during the IMF annual meeting involved concession by both sides. Britain had been pressing for a general return to normal commercial relations with Argentina, including the reopening of trade and air links. However, Argentina was rejecting this as well as British demands that the lifting of sanctions should be reciprocal and simultaneous. All yesterday the Argentinian Government appeared to be trying to convince local public opinion that it had won in its demands that Britain should lift sanctions first. Telam, the official government news agency, reported that on Sunday the Argentine Central Bank had received a formal proposal for the lifting of sanctions in a telex from the Bank of England. Britain's continuing uncertainty over Argentine intentions was highlighted yesterday when the Foreign Office said it was asking its allies to maintain their arms embargo on Argentina. It also asked France, which has lifted this embargo, to show restraint. Despite this embargo Britain has agreed to the delivery of Rolls-Royce gas turbine engines to West Germany for installation in a frigate sold to Argentina. Rolls-Royce said last night, the frigate, a Meko 360 class ship, is one of four built by Blohm and Voss, all powered by Rolls-Royce Olympus and Tyne engines. It remains subject to the West German embargo on arms exports to Argentina. The Treasury said yesterday that it looked for early progress on ending the trade embargoes Britain and Argentina introduced in April. Britain continues to ban imports from Argentina and to refuse Export Credits Guarantee Department credit, while Argentina has banned all trade with Britain. The ending of the financial sanctions means that from today British banks can handle payments in connection with Argentine loans and extend new loans to Argentina. It also means that Lloyd's of London will be able to start writing new insurance business for Argentine clients. Peter Montagnon adds: British bankers were still waiting last night to hear how quickly Argentina intends to restore payments, amounting to several hundred million dollars, that were cut immediately after the Falklands war broke out. They said they would not be Continued on Back Page

Tribunal links 6% rail pay rise to productivity

BY BRIAN GROOM, LABOUR STAFF

LORD MCCARTHY'S tribunal yesterday recommended a 6 per cent wage rise from September 8 for British Rail's 177,000 workers, and measures to accelerate progress on productivity. The BR board's initial reaction was that because the report was a pay and productivity package "there appears to be a basis for a negotiated settlement. BR is determined and ready in everyone's interests to begin negotiations as soon as possible." These may have to wait, however, until the National Union of Railwaymen, the biggest union, considers the report at a recalled two-day conference in Birmingham on October 12-13. Mr Sid Weighell, NUR general secretary, refused to predict whether the report would be acceptable, but said that in view of the country's economic crisis the parties had to try to find a peaceful solution within its framework. The Railway Staffs' National Tribunal award, which is not binding, is clearly constructed to be as acceptable as possible to all sides - BR because it contains a productivity link, to the unions because it exceeds BR's original 5 per cent offer withdrawn after the NUR and Aslef called strikes. The award's cost is about 4 per cent over the 12 months from last April's due settlement date, a rise of 1 per cent on the earlier offer. It would cost BR £60m this pay year and £96m in a full year. The award pleased BR executives even though it rejects their call for an increase below 5 per cent and falls short of their demand for firm dates for implementation of four productivity measures contained in last year's agreement. BR is likely to insist on progress in productivity negotiations before it pays the 6 per cent. The tribunal proposes: Pilot schemes on driver-only operation of freight trains; Introduction of the electrified section last night to hear how it operated, with existing guards retained on revenue collection for at least six months, after which the parties would decide whether to retain them permanently; Discussions on introducing single-manning of locomotives, with the issue being referred to the tribunal if there is no agreement; NUR and Aslef to provide joint proposals for introducing the "trainman concept" - a new grade opening up promotion to driver - within three months; Mr Bert Lyons, of the Transport Salaried Staffs Association, said his reaction was one of acute disappointment. His executive would discuss the recommendations tomorrow. Aslef executives did not discuss them at its meeting yesterday. Report, details, Page 12

Beecham to buy Nabisco subsidiary

BY DUNCAN CAMPBELL-SMITH

BEECHAM, the pharmaceuticals and consumer products group, has agreed to purchase for \$100m (£89m) the sole remaining non-food subsidiary of significance in the Nabisco Brands group of the U.S. The offshoot, J. B. Williams, makes toiletries and pharmaceuticals. It is based at Cranford, New Jersey and Boonville, Arkansas, and employs 1,100 people. Its products, sold largely in the U.S. but also in Italy, France, Spain, Scandinavia and Canada, include brand names such as Aqua Velva, the aftershave lotion, and Geritol, the multi-vitamin tablets. Acquired by Nabisco in 1971, Williams has had troubles recently. Trading profits declined to \$1m on sales worth \$148m in 1981. The company is estimating \$3.2m profits on sales of \$136m for this year, and had net tangible assets of \$48m at June 30. Beecham will finance the acquisition out of loans by U.S. banks. The group said yesterday that the costs of the acquisition would not be covered by Williams' profits in the short term, but it expected the new subsidiary to make a positive contribution to the group in 1983-84. Beecham said it was confident of its ability to improve Williams' profitability through intensive marketing. This would be aimed at new international markets as well as the U.S. In the year to last March, Beecham made about two thirds of its total sales outside the UK. Sales in the U.S. accounted for the main part of a £363m turnover in North and South America. "We are now firmly into the top half of the second division of U.S. pharmaceutical and consumer product businesses," said Beecham. "We aim to get into the first division as rapidly as possible." Nabisco Brands - the fourth largest company by sales in the U.S. food sector, with annual sales worth about \$6bn - said it was selling Williams as the final big step in its strategy of concentration on food interests. The U.S. group made a bid valued at about £95m for Huntley and Palmers Foods, the British biscuit business, last March. The bid was suspended when it was referred to the Monopolies and Mergers Commission, which is expected to produce a report next month. News Analysis, Page 20; Lex, Back Page

Falklands report calls for £75m spending boost

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

SPENDING SOME £75m on civilian projects in the Falkland Islands and Dependencies is recommended by an economic team led by Lord Shackleton, whose report, commissioned by the Prime Minister in May, was published yesterday. The report recommends gradually increasing the population and establishing a 200-mile fishing limit. The report was given a cautious welcome by the Government, which promised action after a period of public debate and comment. Introducing the report in London Lord Shackleton emphasised that the islands' future depended on the commitment of the Falkland Islanders, and underlined the crucial need of regular air communication. The report calls for expansion of Government services between now and 1988, including establishment of a chief executive and a Falkland Islands Development Agency at a cost of £3.6m. The agency would be given powers to acquire, if necessary compulsorily, lands belonging to absentee landlords, including those of the Falkland Islands Company, now a subsidiary of Coalite, the UK coal and shipping conglomerate. These lands, which comprise the bulk of useable acreage on the Falklands proper, would be sold or leased to present Falkland residents or carefully selected immigrants. The programme would cost up to £19m over five years. The third major expenditure would be a £13.7m package to develop grassland and salmon farming and build roads and a jetty. The largest single items consist of financing an exploratory offshore fishing project and a deep-sea scheme to take krill and fish from the Antarctic Convergence, the world's largest untapped source of protein. Each would cost £20m. Referring to the question of oil and natural gas off the Falklands, the report says that no exploitation of the deposits will be undertaken by the international oil industry until a stable political climate exists in the region. Lord Shackleton warns that the islands' economic future depends on rapid establishment of regular civilian air links, which would have to rely on staging posts. Development of landing facilities to enable aircraft of the size of DC-10s to land at Port Stanley is seen as a priority which should be funded from the defence budget. The agency would be given powers to acquire, if necessary compulsorily, lands belonging to absentee landlords, including those of the Falkland Islands Company, now a subsidiary of Coalite, the UK coal and shipping conglomerate. These lands, which comprise the bulk of useable acreage on the Falklands proper, would be Continued on Back Page

Citicorp accused of tax evasion

By Our Washington Correspondent

ALLEGATIONS that Citicorp, the big U.S. bank, systematically sought to evade tax, foreign exchange and banking regulations in various European countries in the 1970s, were made by officials of the U.S. Securities and Exchange Commission in Washington yesterday. The allegations were the first public statement by SEC officials of the result of a 31-year investigation of Citicorp initiated after a bank employee, Mr David Edwards, made similar charges against the bank in 1978. The officials were testifying before a subcommittee of the House of Representatives Committee on Energy and Commerce, which oversees the SEC. Some details of the investigation were leaked this year when the SEC decided not to act on a recommendation by its staff for enforcement proceedings. However, yesterday's hearing showed that the scope of the investigation by the SEC was much broader than believed. It Continued on Back Page

Union urges 3-hour ITV shutdown

BY IVO DAWNAY, LABOUR STAFF

Independent Television faces a three-hour blackout on Wednesday next week, the health service "day of action". Officials of the Association of Cinematograph, Television and Allied Technicians agreed yesterday to urge their members to strike between 5.30 and 8.30 pm on September 22. The decision, which followed a meeting in London of shop stewards from the union's television section, came as several other unions met to discuss the details of plans to support the NHS pay campaign. In London, Fleet Street officers of the Society of Graphical and Allied Trades - Britain's biggest print union - agreed to seek the backing of their national executive to halt production of all national and provincial morning and evening newspapers on the day of the 24-hour NHS workers' strike. The Sogat executive, which meets on Thursday, is likely to be urged to instruct members to strike, regardless of any prohibiting injunction obtained by newspaper proprietors. Leaders of Scotland's 19,000 miners pledged full support for a 24-hour stoppage. Mr George Bolton, vice-president of the Scottish region of the National Union of Mineworkers, said: "There will not be a pound of coal produced in Scotland on that day." A South Wales miners delegate conference agreed to put the call for a 24-hour strike to pithead ballots of the region's 25,000 miners. Massive support is expected. After a full day's meeting, the executive committee of the Associated Society of Locomotive Engineers and Firemen agreed to call for talks with the other two main rail unions on a joint course of action. Health service unions have pointed out that any disruption to rail services could prevent demonstrators reaching rallies. Mr Sid Weighell, general secretary of the National Union of Railwaymen, had talks with Mr Len Murray, the TUC general secretary, on strategy yesterday. The Department of Health and Social Security yesterday quashed suggestions that the dispute could be ended by replacing the 6 and 7.5 per cent pay offers with higher offers which would cover only the last six months of the current pay year, ending on March 31 1983. It said this would be unacceptable as the consequent rise in basic pay rates would force up costs for subsequent years.

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CHIEF PRICE CHANGES YESTERDAY
(Rates in pence unless otherwise indicated)
RISES:
BTR 335 + 10
BHP 400 - 12
Bubb 113 - 8
Coca-Cola 125 - 17
Clavis Metals 113 + 2
Clyde Bank 392 + 8
Lloyds Bank 392 + 8
Munich Bros 314 + 24
Shell 422 - 8
Refinement Homes 130 + 27
Jehsons Drilling 290 + 20
Kunze 743 + 34
FALLS:
Tech. Ind. Co. 58 1/2 - 11
Tren. 43 1/2 - 11
Abney House 85 - 7
Assoc. Newspapers 376 - 12
BHP 400 - 12
Bubb 113 - 8
Coca-Cola 125 - 17
Clavis Metals 113 + 2
Clyde Bank 392 + 8
Lloyds Bank 392 + 8
Munich Bros 314 + 24
Shell 422 - 8
Refinement Homes 130 + 27
Jehsons Drilling 290 + 20
Kunze 743 + 34
Foreign Exchange 24
Gold Markets 21
Int. Com. 23
London 18
Letters 19
Law 26
Lombard 19
London Options 22
Management 14
Euromarkets 23
Euro Options 22
Money Markets 24
Overseas News 4
Racing 16
Share Information 35
Stock Markets 21
Wall Street 22
Business 22
Technology 13
TV and Radio 16
UK News 12
Man and Matters 12
Mining 21
Money Markets 24
Overseas News 4
Others 35
Weather 38
World Trade News 21
Wool 21
Wool Street 22
Business 22
Technology 13
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Money Markets 24
Overseas News 4
Annual Statements 21
Dowry Group 21
Leo. Joseph Hlgs. 21

EUROPEAN NEWS

SOVIET MEDIA GIVE TWO-DAY VISIT WIDE PUBLICITY

Polish minister in Moscow to brief leaders

BY ANTHONY ROBINSON IN MOSCOW

THE POLISH Foreign Minister, Mr Stefan Olszowski, arrived in Moscow from Warsaw by train yesterday for a two-day working visit.

the shuffle of the Polish martial law Government ordained by General Wojciech Jaruzelski in July.

to run the affairs of their East European allies.

Communist party which this represented. They also had strong reservations about the wisdom of Gen Jaruzelski's decision to release more than 1,000 detainees last July.

the Solidarity union, reinforced their concern about the efficacy of Gen Jaruzelski's regime.

Violence charges rejected

By Christopher Bobinski in Warsaw
EIGHT FORAIEE members of Poland's KOR dissident group have spoken out in defence of Mr Jacek Kuron and three colleagues whom the authorities have said they will try for plotting to overthrow the state.

Higher industrial output reported

BY DAVID BUCHAN, EAST EUROPE CORRESPONDENT

THE POLISH Government has reported that industrial output last month was 1 per cent higher than in August 1981.

began to decline before the emergence two years ago of the Solidarity union movement.

country's industrial performance in fact is still very uneven. Last month's production of coal, copper, and sulphur in the new-militarised mines was 19 per cent above the August 1981 level.

Recession and rapid technological change are making life hard for the industry, writes Ian Rodger
European welding awaits spark to ignite growth

WELDING IS the kind of industry most companies would want to get out of. Closely tied to steel consumption, it has been stagnant in Europe since the mid-1970s, and the demand for electrodes and other welding equipment looks likely to continue deteriorating for another year at least.

most of the loss-making European welding activities, of Guest Keen and Nettlefold for an undisclosed price and Mr Bengt Eskilsson, ESAB president, said the company was still looking for more.

Netherlands, Thyssen of West Germany and ESAB. There are also some big specialised suppliers, such as Laird Group, which makes sophisticated welding machinery, and about 40 smaller companies.

was due mainly to growth elsewhere, notably in South America and the Far East.

sidiaries, estimated to have a European share of slightly less than 5 per cent.

He senses that the total European market for welding equipment and supplies is still weakening and sees no recovery for at least 12 months.

The only growth opportunities are in automatic and robot welding where competition is stiff and the capital and technology requirements high.

Perhaps more extraordinary, Wulter Machine Company, the mining equipment manufacturing subsidiary of Hampton Gold Mining, has just decided to enter the sector. It has become the UK representative of La Soudure Autogene Francaise, a subsidiary of Air Liquide of France.

ESAB, with sales of SKr 1.9bn (£185m) last year, is the only large company that depends almost entirely on welding and related businesses for its income.

recession, the welding industry is also having to cope with rapid technological change. The traditional core of the business, hand welding, is in permanent decline. This means that sales of coated stick electrodes, which have been the largest single source of revenue, is also falling. Stick electrode sales in Europe are estimated at about £200m a year.

However, the main source of growth in the industry will continue to be welding machines. ESAB has developed a strong line of automated equipment for factories and compact semi-automatic machines for the repair and hobby markets.

As for Wulter, it is attempting to diversify from its dependence on supplying containing equipment to the National Coal Board. Mr Ian Roberts, managing director, said the company believes its expertise in using automatic welding machines can be turned into success in marketing La Soudure machines.

ESAB of Sweden, the European industry leader, estimates that a quarter of European capacity for making stick electrodes has been shut down since 1975 but the remaining 350,000 tonnes per year is still 30 per cent over current demand.

Accessories
The European welding industry—including Scandinavia—has annual sales of about £800m, of which perhaps 60 per cent is in consumables and the remainder in machines and accessories.

Most companies have been having a tough time with their European welding activities. Traditional large markets, such as shipbuilding, have been contracting steadily. GKN said it lost £1.7m last year on £23.5m sales in its welding division. Oerlikon's welding operations were in loss as was BOC's British welding side.

Robots
Hand welding is being replaced by mechanical welding machines and, more recently, by robots. Mr Eskilsson estimates sales of mechanical machines are growing at 25 per cent per year and robots at 30-40 per cent per year.

It also has the good fortune to be 50 per cent owned by ASEA, the Swedish machinery company that has become a leading world robot maker.

La Soudure has been trying for years to build up a position in the British market. "We have a complete product line, but our problem is marketing," said Mr Armand Fremont, the director general. Like ESAB, the group has a commitment to welding and wants to build its market share, despite the decline in the overall business.

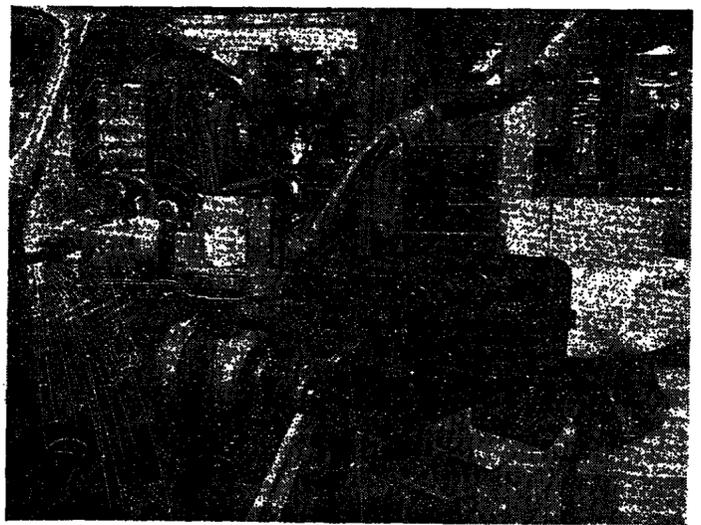
But the company, which was founded by Mr Oscar Kjellberg who developed the coated stick electrode in 1904, continues to increase its commitment to welding.

The industry is dominated by a few large companies, including BOC of Britain, Air Liquide of France, Oerlikon-Bührle of Switzerland, Philips of the

ESAB's sales in the main European countries declined last year but profits remained satisfactory. However, the group's 41 per cent increase in profits before tax and allocations to SKr 115.6m (£10.8m),

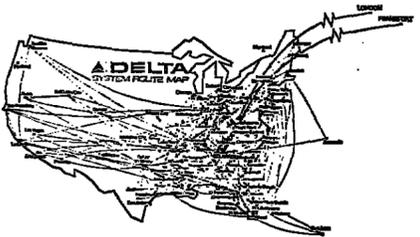
These trends are likely to be accentuated in the future partly because fewer hand welders will be sold but also because the consumables for mechanical welding are simple, low-value steel wires. As a result, some steel producers, notably Thyssen and Bohler of West Germany, have become major suppliers, softening the market for others.

On the other hand, the coated electrodes for hand welding are sophisticated, high-value products. ESAB believes that once European capacity is reduced, this can once again be a profitable business. Hence, the company's interest in building up market share through the acquisition of the GKN sub-



The Metro line at Austin Morris... the only growth opportunities are in automatic and robot welding

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France to widen its methods of raising funds

DAVID MARSH IN PARIS

FRANÇOISE, THE flag-bearing symbol of the French republic, is habitually used to help sell state bond issues, may be called in more regularly in future. The French Finance Ministry, keen to widen the range of issues sold to the public to finance the budget deficit, proposes to launch soon a series of "renewable bonds" which can be marketed more or less continually.

The fund-raising instruments would be midway in character between the two established varieties of issues. These are the long-term state bonds, at present being launched about three or four times a year, and the short-term Treasury bonds, which have been issued in greatly increasing numbers since the Socialists came to power.

It has not yet been decided what role Françoise will play in the innovation. Government officials are keen to step up advertising to educate French savers to put more of their money into long-term instruments.

Marianne's Andy-chiselled features (but not her bare breasts, which appear on FRF 100 banknotes) are being used in a promotional campaign this week in French newspapers to advertise the latest FRF 100m state bond now on sale to the public.

The "renewable bonds" will have a maturity range of five to eight years. Holders will be able to convert them, under conditions fixed at the time of issue, into other bonds in the series. It is hoped that this will increase their attraction for investors seeking flexibility.

The Finance Ministry's need for a greater number of debt instruments has risen in line with the steady increase in yearly budget deficits under successive governments—especially the Socialists.

France has started off from a low base in government funding compared with Britain or the United States, with inflation and conservative budgetary policies holding down strongly the volume of public debt until fairly recently.

Ministry officials, however, are keen to extend the range of issues being marketed. The renewable bonds will act, it is hoped, rather like the "tap" stocks which are on almost constant offer on the London bond market by the government broker in the UK.

Ecologist leader launches broadside at Government

BY DAVID HOUSEGO IN PARIS

M BRICE LALONDE, the ecological candidate in last year's French presidential election, has emerged from 18 months of silence with a stinging indictment of the Government, which he accuses of imposing a "new form of absolute power" on the country.

Declaring that there has been no attempt to introduce a more participatory democracy, he says that an "arbitrary capitalism" has come out on top. The only people who count for the left, he says, are their "glorified worthies and the trade unions."

The summit of democracy for M Pierre Mauroy (the Prime Minister) is the pact of dinosaur union and employer leaders through the Matignon (the Premier's residence).

M Lalonde won more than 1m votes, 4 per cent of the electorate, in May last year, to make the Ecologists the fifth largest party in the country. But, since then, the movement has been split and has not enjoyed

the same wave of popular support as in West Germany. None the less the Ecologists remain a potential force in a close-run election and clearly intend to make their voice heard in the critical municipal elections next March.

In a broadside attack on the Socialists, M Lalonde berates them for a zig-zag economic policy that will fail to bring down unemployment; for the sumptuousness of the economic summit conference at Versailles in June; and for the paucity of their environmental budget.

He accuses the Socialists of not allowing a debate about nuclear power. He prophesies that, with the current low rates of economic growth, the Socialists' decision last year to go ahead with a large nuclear power programme will result in massive overcapacity. He says the Ecologists intend to contest the seat of M Edmond Hervé, the Minister of Energy, at the municipal elections. M Hervé is also Mayor of Rennes.

Big Nato exercises begin

OSKOR, (Denmark)—Nearly 1,000 US and Dutch marines under heavy air cover stormed ashore here yesterday and established a beachhead against "enemy" Danish forces.

The mock amphibious assault spearheaded by "Northern Wedding", one of Nato's largest ever exercises. It involves 180 US, 250 aircraft and 25,000 troops from 10 countries of the

"Northern Wedding" is the first of two large exercises to be staged in Denmark as part of the Atlantic alliance's annual "Autumn Forge" manoeuvres.

Among the vessels taking part in yesterday's landing was the Royal Navy's assault ship, HMS Fearless, saved from the Defence Ministry's axe as a result of its crucial role in the Falklands conflict.

Lambsdorff proposals to boost jobs and growth

By Jonathan Carr in Bonn

THE West German Economics Minister, Count Otto Lambsdorff, has proposed a new strategy to try to boost growth and cut unemployment.

In a 34-page paper to Chancellor Helmut Schmidt, he suggested ways of boosting public sector investment, stimulating private investment through tax measures, and making budget savings mainly through cuts in social benefits.

He makes clear that the Government should hold to its restrictive medium-term expenditure plan (to end 1985), and that the main aim should be to increase investment spending and cut spending on consumption.

Among the main suggestions are:

- Public sector investment (over three years): Strengthen environmental protection measures (eg, cleaning up polluted rivers); boost distance heating programmes (jointly with the regional states); extend and modernise the railways; seek to increase the Post Office's investment (eg, cable laying for communications systems).
- Tax measures: Step by step removal of trade tax; partial reduction in wealth tax (as applied to assets used for business purposes); income tax benefits for long-term investment in domestic businesses; increase in value added tax to help compensate for above measures (although the minister notes that this step could push up prices and have a negative influence on wage negotiations).
- Savings on social benefits: cuts in unemployment pay. Count Lambsdorff suggests that for the first three months of unemployment, the jobless person should receive only 50 per cent of his or her former net income, instead of 68 per cent as at present.

As an alternative, he suggests a general cut, even beyond three months, in unemployment pay for all those who have no dependants (the extent of the possible cut is not specified).

Removal of special state payments to women who take time off from work to have a child, removal of state grants for school pupils, and transformation of payments to students (eg, university) from direct aid to repayable loans; increase in the payments made by pensioners to their health insurance; increased personal payments by patients towards the cost of doctors visits and medicine, and for taking part in cures.

Partial reductions in length of normal holidays for those who have gone on cures; close re-examination of the extent of the benefits offered to the physically handicapped.

- In addition: Retention of the ban on hiring of new foreign workers; tightest possible limit maintained on the number of family members accompanying foreign workers in West Germany; refusal of any EEC measures which could further harm the investment climate.



FIRES RAGED out of control for more than four hours in the DC-10 charter jet which crashed on take-off yesterday at Malaga in Spain. The burned-out shell of the aircraft (above) lies not far from the end of the runway. The jet was carrying American and Spanish tourists to New York

Safety costs increase as Europe generates more nuclear power

BY DAVID FISHLICK, IN VIENNA

SAFETY ACCOUNTS for half the costs of nuclear power plant currently being commissioned in Belgium, a United Nations nuclear energy conference was told in Vienna yesterday.

The cost of safety has risen from about 30 per cent for reactors which entered service in the mid-1970s to almost 50 per cent for reactors entering service between 1982 and 1984.

Dr Robert van den Damme, a director of Intercom, one of Belgium's leading electricity supply companies, reported to the International Atomic Energy Agency's conference on nuclear power experience that Belgium produced 22 per cent of its electricity from nuclear fuel last year.

Other countries reporting nuclear electricity figures for 1981 included France, nearly 40 per cent; Sweden, 36 per cent; Japan, 17 per cent; and West Germany, 15 per cent.

Dr Hans Blix, opening the conference, said that with nuclear fuel producing about 9 per cent of the world's electricity last year, "this is an industry which cannot lightly be dismissed." Dr Blix, who is director-general of the IAEA, said its investigation suggested that nuclear costs varied by a factor of two, depending on the country, and the production factor (availability) of nuclear stations varied considerably.

Dr Michael Pecqueur, chairman of the French Atomic Energy Commission, said French pressurised water reactors, constructed since the early 1970s, were now showing an availability of 68 per cent. Coal-fired power stations, burning imported coal, were producing

electricity for 1.6 times the price of the new French nuclear stations.

He called nuclear energy "an economic trump card that I cannot believe the world will allow to escape."

Prof I. G. Morozov, from the Soviet State Committee for the Use of Atomic Energy, said nuclear energy had already made itself an inseparable part of world economics. It was cheap and safe means of producing energy, he said, forecasting that the "golden age of nuclear power lies ahead."

One big problem, as the Russians saw it, was that one third of the energy extracted from nuclear fuel today was re-absorbed in obtaining the uranium fuel.

This was why the Soviet Union placed great faith in the fast-breeder type of reactor which held the prospects of obtaining up to 100 times a much energy from uranium fuel. It was believed strongly in fast-breeding cycles, which were expected to double the plutonium inventory of the reactor in 13-17 years. Fast breeder developments by Western countries, including Britain, assume a "doubling time" twice as long as this.

Skoda, the Czech engineering group, recounted its experience with orders for 21 units of the Soviet 440 MW pressurised water-reactor (VVER 440). They are destined for the Soviet Union and its Comecon partners. The first two units have been delivered to Hungary and another 12 are on the production line. The factory is also tooling up to make the 1,000 MW version.

E. Berlin warns Bonn on missiles

BY LESLIE COLLITT IN EAST BERLIN

EAST GERMANY'S leader, Herr Erich Honecker, has told Herr Hans-Juergen Wischniewski, one of Chancellor Helmut Schmidt's top aides, that "good neighbourly" relations will be "acutely endangered" if new intermediate-range nuclear missiles are deployed in West Germany.

His warning has once again dampened Bonn's hopes of improved humanitarian contacts between East and West Germany.

It followed a weekend meeting, the highest-level contact

between East and West Germany since the inter-German summit conference in East Germany last December.

Herr Wischniewski said afterwards that he had emphasised Bonn's interest in mutual disarmament. He noted it was "reassuring" to see that both East Berlin and Bonn were sincerely concerned that the U.S.-Soviet disarmament talks in Geneva would be successful.

West Germany wants the East German Government to reduce its compulsory currency

exchange for Western visitors to the East, which was tripled in November, 1980. This has led to a more than 40 per cent drop in the number of Westerners entering East Germany and East Berlin.

Bonn regards these visitors as the chief remaining link between the two German states. It fears that East Germany intends progressively to raise the currency exchange fee until West Germans will be entirely discouraged from visiting their relatives and friends in the East.

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Flies fall victim to America's fiendish 'zapper'

BY PAUL TAYLOR IN NEW YORK

SOMEHOW, killing flies with a custom-built fly-swat, a rolled-up newspaper or whatever else came easily to hand always seemed a fair game: the endeavor involved a mixture of human patience, speed, control and plain low-down cunning.

Then came the sticky fly-paper, providing an essentially passive alternative, although results were somewhat less predictable. In sharp contrast, an aerosol poison spray can smack of underhand chemical warfare, and provoked environmentalists to speak in grim tones about a threat to the earth's ozone layer.

Now, however, there is a range of products more in keeping with the electronic age—a new breed of death machine, complete with science-fiction names like "Bug zapper," "Flicker" and "Flowtron." The advertisements talk of "black light," "sonic sound" and "miniature death, ray-guns," and read like something out of a fiendish comic strip.

The principle behind most of these electrically-powered fly killers has evolved from serious research into the control of flying pests. Most of the commercially available machines use a bulb which emits near-ultra violet light (hence "black light") to attract flies through an outer grill and onto an inner high-voltage grid. There they are destined to meet a somewhat grisly death.

Few people seem sure why the machines work. As the U.S. Consumers Union—a non-profit making consumer research organization—pointed out in a recent report, modern explanations why insects are attracted to light seem scarcely less fanciful than the magical qualities attributed to freighth by previous generations.

Apparently one prominent entomologist believes that insects "seek light as an exit from confined space to a sort of paradisaical freedom."

Whatever the explanation, the consumers' organization which tested a dozen of the machines decided that they do indeed work and the sales figures support that conclusion. The sales of electric bug killers increased more than ten-fold in the five years to 1980, to over 1m units a year.

Industry experts suggest this rapid consumer acceptance has continued despite the economic downturn. Certainly, judging by the advertisements for the machines, which range in price from about \$40 up to over \$100, the market, unlike the machines' targets, is still alive and well.

A typical newspaper ad for the \$49.95 "bug zapper" claims that the product "infinitely lures flying bugs, wasps, mosquitoes, lawn moths, flies and all others. It lures them from over one acre."

The ad continues: "It kills them instantly on the charged grid and disposes of them neatly in the unit's easy to clean, water-filled trap."

Although many of the models are designed for the patio, terrace or garden, manufacturers also offer smaller versions for indoor use.

The major customer complaint about the "zappers" appears to be the rather unpleasant noise that most of the machines emit—the sound which signals the demise of another victim.

The Consumers Union notes, however, "there were zaps and zaps—the latter (the noisier) might annoy you or your neighbours and send shivers through the squeamish."

Perhaps to meet this criticism, one manufacturer has introduced a refinement to the system. The Pestolite Patio employs what can only be described as a bizarre mechanism. The "black light" bulb is still there, behind a plastic screen, but the flies, attracted by the light, bump into the screen, their wings are swept off by a downward blast of miniature fan, and they drop into a tray of water and drown.

The Consumers Union, praising the silent bug-dropper, commented that "apparently bugs can be depended on to behave that way."

For the disbelievers there is a 57-page report prepared by Underwriters Laboratories Inc. which the independent testing organization, which seeks to set standards for the industry's products which will come into force from January 1984.

Among those manufacturers represented at meetings to discuss the new standard was Charming Products, a division of Beatrice Foods, the U.S. food and consumer goods giant.

Perhaps somewhat unfortunately, Charming's other major product is barbecue grills.

The other major sector of the electronic pest control industry in the U.S. deals with bugs at a more "down to earth level." These are the machines which use "ultrasonic sound" produced by "a special quartz crystal speaker" to send out unrelenting messages to mice, rats, cockroaches and other nasty creepy crawlies.

The manufacturers claim these machines, which look like miniature loud speakers, produce sounds which are harmless to humans but which "attract" the auditory and nervous systems of rodents and "certain insects, causing pain and discomfort."

The theory is that bugs greeted in this way turn tail and flee—probably to the next-door neighbour.

Reports of the success of such devices differ. One mail order customer returned her version complaining that the "no mess, no fuss approach to pest control" was also "no good."

It seems that many households are still wedded to the far simpler—and cheaper—"roach hotel" for controlling the ever-present cockroach great which seems to plague most U.S. apartment buildings.

For just a few dollars, the black cardboard box contraption, which used to come with the advertisement "The bugs check in—but they don't check out," provide a more traditional approach to "bug control."

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Such direct labour representation on company boards is rare in the U.S. With Mr Fraser taking an active role in Chrysler negotiations, his directorship has raised questions about potential conflict of interest.

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However, late last week, Mr Fraser gave a clear indication the union would not press for immediate large increases by proposing a separate, one-year contract covering economic issues, and another three-year pact for non-economic matters.

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Ecuador pledges debt repayment

QUITO — Ecuador will have to make a payment of \$148m (£51.4m) by November 30 as part of its efforts to reschedule its short-term foreign debt.

Mr Tip O'Neill, the Democratic speaker of the House of Representatives, said he planned to table a Bill providing an amount of \$1bn (£855m) to create 200,000 public works jobs to help meet the nation's "worst internal crisis since the 1930s."

The Democrats are keen to keep up the momentum following Friday's dramatic Senate vote to override Mr Reagan's veto of a \$1.4bn supplementary appropriations Bill—his first major congressional defeat in 20 months in office.

The Democrats believe last week's votes against Mr Reagan in both House and Senate show that "the threat of a veto is not the impediment it was once considered to be" in the words of one of Mr O'Neill's senior aides.

They also feel that it would reflect badly upon the Administration if it opposed a job-creating bill in advance of November's mid-term elections, especially at a time when unemployment is increasingly the chief preoccupation of voters.

Mr Reagan has already shown himself sensitive to the issue. In his ultimately unsuccessful effort to sustain his veto last week, he relied on a \$311m programme to provide community service jobs to the elderly, belatedly realising that it was politically embarrassing to continue to oppose it.

The Democrats are proposing that the equivalent of 5 per cent of the nation's unemployment payments should be devoted to creating jobs repairing and building bridges, roads and water systems, many of which are in a surprising state of disrepair.

"The costs of unemployment now outweigh the cost of putting people back to work," Mr O'Neill said. His proposal, however, is bound to be seen by Mr Reagan as just the sort of "budget buster" measure he is trying to avoid, and contrary to the free-enterprise spirit of Reaganomics.

Mr Reagan has chosen to launch new initiatives on social and moral issues in recent days in an effort to distract some attention from the still depressed state of the economy.

His latest initiative is a package of legislative reforms intended to help law enforcement agencies and prosecutors to combat a nationwide "crime epidemic."

Democrats plan to table \$1bn jobs creation Bill

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

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Mr RUPERT MURDOCH, publisher of the New York Post, the London Times and a number of Australian papers, could be about to take over the ailing Buffalo Courier Express.

Cowles Media, the paper's present owner, said last week the Express would close on September 19 unless a buyer could be found.

News America, Mr Murdoch's U.S. company, held talks at the weekend with union representatives and business leaders from Buffalo, in New York State.

It said yesterday that any takeover would not involve cash changing hands and would not take place at all unless there were substantial reductions in the paper's 850-strong workforce.

The Express, which has week day sales of about 130,000, has been losing money at an annual rate of \$8.6m (£5m) on revenues of \$38m. Its closure would leave Buffalo—the second largest city in New York state—with only one newspaper.

Tribune of Chicago said yesterday that it took a \$75m charge in the second quarter to cover the costs of restructuring its New York paper, the Daily News. The write-off left the media group with a net loss of \$28.7m in the quarter.

Tribune considered both the closure and the sale of the loss-making paper but has recently agreed substantial job cuts

Contract deadline forces concessions on Chrysler

BY DAN MCINTOSH IN DETROIT

THE CHRYSLER Corporation, whose three-year contract with the United Auto Workers expires at midnight tonight, is hoping to hang on to some of the innovative features of the current agreement which remain critical to its survival.

Chrysler is the last of the U.S. car companies to come to terms with the union, which normally negotiates three-year contracts simultaneously with the three largest U.S. car manufacturers.

General Motors, Ford Motor and American Motors will renegotiate and extend their contracts this year, deferring some pay increases in exchange for job security provisions.

This left Chrysler the only U.S. car company still negotiating as its contract expiration deadline neared. But Chrysler, which was in deep financial difficulty before the current recession in the U.S. motor industry, began asking for concessions more than two years ago, as it struggled to avoid bankruptcy and convince mem-

bers of Congress it should receive federal assistance. Economic concessions made by the union there accounted for some \$1.1bn (£840m) of the \$3.5bn Chrysler aid package. Most recent was the 10 per cent pay cut in February last year which froze Chrysler workers' wages at \$9.07 an hour.

Even with recently negotiated concessions, wages at other U.S. motor companies have continued to climb. Chrysler has, as a result, benefited from a steadily widening gap in labour costs which some analysts now estimate is equivalent to about \$500 per car.

But Chrysler employees earlier gained a profit-sharing plan, which may yet prove advantageous. Also, UAW president Douglas A. Fraser gained a seat on the Chrysler board.

Such direct labour representation on company boards is rare in the U.S. With Mr Fraser taking an active role in Chrysler negotiations, his directorship has raised questions about potential conflict of interest.

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OVERSEAS NEWS

Israeli aircraft raid against positions in eastern Lebanon

BY NORA BOUSTANY IN BEIRUT

ISRAELI aircraft carried out day-long attacks against Palestinian and Syrian positions in Lebanon yesterday. Official Beirut radio reported that at least 40 people had been killed in the raids, the fourth series of air raids in the past six days and the most serious setback so far to the August 12 ceasefire in Lebanon.

Lebanese officials said that the aircraft bombed military positions along the road from Shtaura to Zahle in the Bekaa valley and extended up to the Mtaana crossing point on the Lebanon-Syria border.

Syrian forces were also attacked in the upper Mater area north of the main road from Beirut to Damascus.

The Voice of Lebanon, run by the Christian Phalange Party, also reported that a Palestinian camp in northern Lebanon had been hit, but this was later retracted.

An Israeli official stressed that his government was not seeking a war with Syria but also was not willing to accept a war of attrition.

Vatican defends policy on Israel

By James Suxton in Rome

THE VATICAN yesterday hit back with almost unprecedented fury and bitterness against Israeli Government criticism of the Pope's decision to receive Mr Yasser Arafat, the Palestine Liberation Organisation leader, on his controversial visit to Rome this week.

An official Vatican statement called Israeli Government criticism on Sunday more than surprising, almost incredible. It accused Israel of forgetting the "thousands and thousands" of Jews protected and saved by the Vatican and the Catholic church in Italy and other countries before and during the Second World War.

Many beneficiaries and witnesses of these acts now lived in Israel, the Vatican pointed out.

Describing the Israeli statement, that alleged the Vatican had not uttered a word on the massacre of Jews in the Second World War, as an "outrage against the truth and disrespect of the person of Pope John Paul II had frequently condemned the Nazi killings of Jews and had visited Auschwitz during his 1979 visit to Poland.

The Palestinian leader is due to arrive here on Wednesday morning as part of a Palestinian delegation of observers to the annual meeting of the inter-parliamentary union, which begins in Rome today.

Bernard Simon in Johannesburg reports on Armscor's latest export drive

LIKE ANY company faced with a slack home market and boasting a catalogue of new products, South Africa's arms industry is turning to foreign buyers to boost its revenues.

The latest of the new products was shown off for the first time last Saturday. After a champagne breakfast, Armscor, the state-owned weapons manufacturing and procurement agency, rolled out its G6 artillery vehicle, a 155mm gun mounted on a highly mobile six-wheel chassis. The vehicle has a top speed of 95km an hour.

"I hope it will find a place in the arsenals of friendly countries," General Magnus Maban, the Minister of Defence, said. As if to help the message, 10 foreign news correspondents were for the first time invited to the launch of an Armscor product.

Since Armscor was set up in the mid-1960s to help soften the blow of international arms boycotts against South Africa, the company has grown into one of the country's largest industrial groups. Its assets, including 15 factories, total about R1.4bn (£700m). By last year, it employed 29,000 people.

Armscor manufactures only about half its requirements, consisting mainly of ammunition, propellants, missiles and aircraft. The rest are supplied by 800 private sector contractors, including many local subsidiaries of U.S. and European companies.

The electronics division of one of South Africa's largest industrial groups sells virtually all its production to Armscor. Construction, heavy engineering and clothing industries are among the others which rely heavily on military work. Fifty private companies were involved in work on the G6 prototype.

Pretoria aims for sales to foreign arsenals

Relations between Armscor and its suppliers are close, so close that arm manufacturers in the Pretoria area use Armscor's sprawling vehicle testing track west of the city to test their commercial models.

For the first time in more than a decade, the domestic market for defence equipment has suddenly stopped growing. Armscor completed its last factory a year ago and its investment in new production facilities has virtually come to a halt.

In addition, the defence force has not been immune to a squeeze on overall government spending. Although this year's defence budget, originally totalling R3.1bn, is growing faster than the targeted 8.1 per cent increase, the rise will probably be minimal in volume terms. South Africa's inflation rate is currently running at 15 per cent.

Armscor and its contractors are feeling the pinch. According to the group's chairman, Mr Piet Marais, "orders for armaments are not as high as they used to be."

Armscor's workforce has been cut to around 27,000 people, mainly by reducing the number of trainees and apprentices and by natural wastage. Its factories (and those of its suppliers) are not working at full capacity, a situation aggravated by past decisions to install substantial reserve capacity.

Japan to consider fiscal package

BY RICHARD HANSON IN TOKYO

THE JAPANESE Government seems likely to decide early next month whether the country's sluggish economy should be stimulated by fiscal means.

But there are serious differences of opinion within the cabinet over what can or should be done and the economic debate has become riddled with political considerations.

Potential rivals to the Prime Minister, Mr Zenko Suzuki, are warning up for a Liberal Democratic Party (LDP) leadership fight in November. The job of LDP president carries with it the Prime Ministers post.

At a meeting of economic cabinet ministers yesterday Mr Suzuki signalled publicly for the first time the need to revise the government's over-optimistic official forecast for the current 1982 fiscal year ending March 31, 1983.

The official forecast for real growth (5.2 per cent) is far higher than most economists, within or outside the Government, now expect. Without special measures to stimulate growth, the economy will probably slow to an annual pace of 2-3 per cent this year.

Australian trade deficit up despite weaker currency

BY MICHAEL THOMPSON-NOEL IN SYDNEY

AUSTRALIA'S trade position worsened last month, despite a further weakening of the Australian dollar. Figures released in Canberra yesterday show that the trade deficit last month was \$4316m (£177m), against \$465m in July and \$5104m in August last year.

Australia's current account deficit, which takes in the cost of invisibles such as freight, insurance and tourism, was \$5672m in August. Against August's \$565m in July, Capital inflows totalled \$4355m, producing an overall deficit on the balance of payments of \$4448m.

This was the largest overall deficit since last September (\$4922m), and compared with a deficit of \$145m in July.

Lower shipments of coal and iron ore to Japanese steel mills in August contributed to a fall in the value of exports to \$51.73bn, against \$51.99bn in July, while imports rose by \$258m to \$52.04bn.

The deterioration in trade occurred despite a weakening of the Australian dollar against the U.S. dollar from 99.5 U.S. cents to 96.4 U.S. cents. Many observers believe the currency could weaken further.

Democrats plan to table \$1bn jobs creation Bill

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

Mr Tip O'Neill, the Democratic speaker of the House of Representatives, said he planned to table a Bill providing an amount of \$1bn (£855m) to create 200,000 public works jobs to help meet the nation's "worst internal crisis since the 1930s."

The Democrats are keen to keep up the momentum following Friday's dramatic Senate vote to override Mr Reagan's veto of a \$1.4bn supplementary appropriations Bill—his first major congressional defeat in 20 months in office.

The Democrats believe last week's votes against Mr Reagan in both House and Senate show that "the threat of a veto is not the impediment it was once considered to be" in the words of one of Mr O'Neill's senior aides.

They also feel that it would reflect badly upon the Administration if it opposed a job-creating bill in advance of November's mid-term elections, especially at a time when unemployment is increasingly the chief preoccupation of voters.

Mr Reagan has already shown himself sensitive to the issue. In his ultimately unsuccessful effort to sustain his veto last week, he relied on a \$311m programme to provide community service jobs to the elderly, belatedly realising that it was politically embarrassing to continue to oppose it.

Democrats plan to table \$1bn jobs creation Bill

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

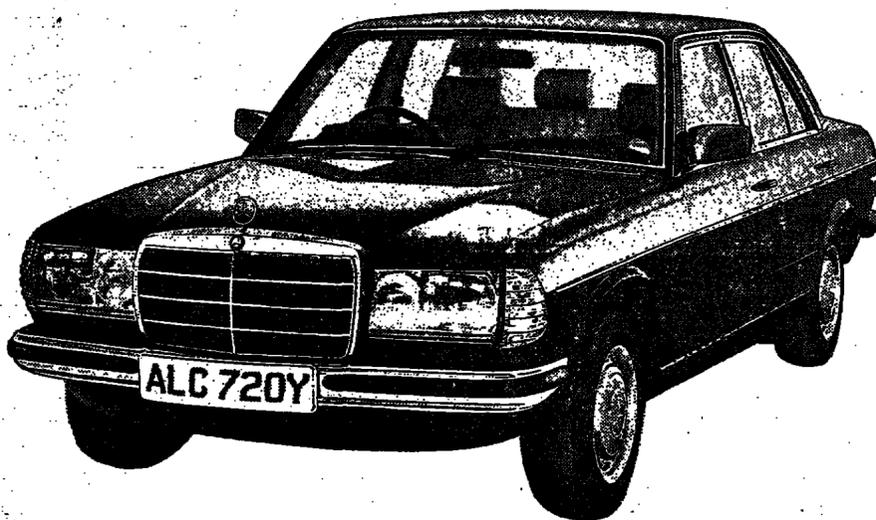
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It's a difficult choice.

Choosing to drive a Mercedes-Benz is easy. Choosing *which* Mercedes-Benz to drive is not. Especially when it comes to the 2 litre, 2.3 litre and 2.8 litre series.

It may not appear to be a difficult choice. In fact, because the three cars in the series look almost identical, there doesn't seem to be any choice at all.

But if you get in, start them up and put your foot down, you'll find three completely different Mercedes-Benz saloons.

One of which is right for you.

The efficient Mercedes-Benz 200.

Maybe the nicest thing about driving the least expensive car in the series is that you'll never feel like you're driving the least expensive car in the series.

The acceleration is brisk. The cruising speed is 100mph. And it has the same quality of Mercedes-Benz inner peace and quiet as its larger-engined brothers.

The lively Mercedes-Benz 230E.

The '230' stands for 2.3 litre. The 'E' stands for *einspritz*, meaning fuel injection. The combination leaves many other mid-size saloons standing still.

Zero offset-steering, double wishbone suspension and progressive power steering are just three of the many design features that give the 230E driver that legendary Mercedes-Benz 'feel' of the road.

The powerful Mercedes-Benz 280E.

The 2.8 litre, 280E isn't just fast. It's fast quickly. The fuel-injected, twin overhead cam, six-cylinder engine generates 185 DIN/hp effortlessly.

In fact, it actually feels as though the car appreciates acceleration.

It devours distance with the ease of a luxury saloon and the agility of a sports car.

So you're faced with a choice of three fine Mercedes-Benz saloons, right? Not quite. You also have two diesel options, with the 2.4 litre, 240D and the 3 litre, 300D.

The decision grows more difficult.

Features common to the series, uncommon in other marques.

The difference between a journey and a drive is not semantics. It's ergonomics. That means 'the efficiency of a person in his working environment'.

In a Mercedes-Benz, that translates to less stress. Because the less stressed you are

whilst driving, the more relaxed and comfortable the driving becomes.

The orthopaedically designed seats with springs tuned to the car's suspension. Superb all-around visibility. Efficient sound insulation and vibration dampening...all part of the engineering concept designed to reduce wear and tear on the car's most important component—you, the driver.

Further examples: the heating and ventilation system can keep the front seat passenger and driver at different individual temperature levels.

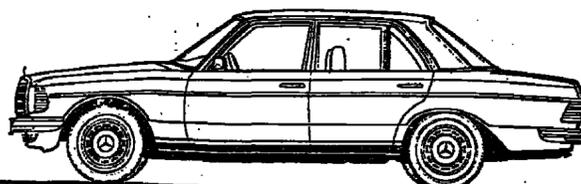
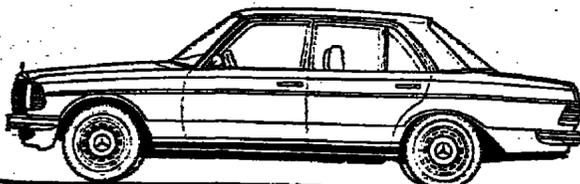
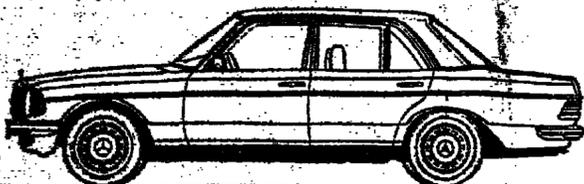
All the controls are intelligently laid out, to maximise your concentration on the road.

The instruments communicate quickly and clearly.

Engineering principles like these have always tended to make a Mercedes-Benz a slightly dearer car. Yet, the starting price for a 200 saloon is £9,130, (excluding number plates and road tax).

Which means that this, with five engine options, is not only the most versatile Mercedes-Benz series.

It also provides the reachable star. **Engineered like no other car in the world.**



WORLD TRADE NEWS

FRESH PLANT FINANCING PACKAGE LIKELY

UK and India start steel talks

BY K. K. SHARMA IN NEW DELHI

TALKS HAVE begun between the British and Indian Governments on the involvement of British companies in the steel industry and these could lead to a fresh financing package to set up a new plant and modernise another one in the country.

The fresh negotiations do not involve Davy McKee for the turnkey contract for the Orissa plant which is now to be located inland at Daitari and not at the original coastal site at Paradip.

substantial and would depend greatly on the financing that foreign parties can arrange.

Although the original financing package arranged by the British Government and such bankers as Lazard Brothers has lapsed, the experience gained in raising the large amounts involved is expected to be used to revive at least part of it for the Orissa plant.

NY moves ahead on state export bank

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

THE New York state authorities are drafting legislation which would permit the setting up of a state export bank to offer discounted loans to medium and small exporters.

day, that he had not seen any material resistance to the programme at state level.

for the bank to be capitalised with \$25m (£14.5m) of state funds and the sale of subscriptions for a like amount to New York banks.

Representative's office is enthusiastic.

Lisbon's former Africa colonies want own bank

PORTUGAL'S five former colonies in Africa—Angola, Mozambique, Cape Verde, Guinea-Bissau and Sao Tome—are actively discussing formation of a joint bank with a capital of \$50m (£29m).

Morocco trade deficit increases

BY FRANCIS GHILES

MOROCCO'S balance of trade deficit increased, during the first four months of this year to Dirhams 4.4bn (\$421m) from Dirhams 3.5bn during the same period last year.

from just over \$40 to \$49. This year, however, the average price is already down to \$40 a tonne and the volume of exports continues to slip.

First, rain last winter, for the first time in two years, means that the very large imports of grain which have been necessary until this summer will no longer be required.

EEC makes textile pact with Colombia

By Larry Klingman in Brussels

A FURTHER EEC textile import agreement was announced yesterday by the European Commission.

The agreement came at the start of a new round of negotiations with the major Third World suppliers. This could be crucial as to whether the EEC member-states ratify the 1982-86 Multi-fibre Arrangement (MFA).

A new round of discussions to embrace these three countries and eight of their militant supporters opened in Brussels yesterday with the expectation that the talks will continue for at least two weeks.

Gatt chief seeks Tokyo's aid on safeguards system

BY OUR WORLD TRADE STAFF

MR ARTHUR DUNKEL, director general of the General Agreement on Tariffs and Trade (Gatt) yesterday told the Japanese Government that he would like its full co-operation in formulating a world trade safeguards system.

Such a system would define the conditions under which a government would be able to impose import restrictions.

During talks in Tokyo, Mr Dunkel told Japanese officials that he hoped the November ministerial conference of the Gatt would enable negotiations on safeguards to be concluded.

trade negotiations in the 1970s. Safeguards was one of the unfinished pieces of business of that negotiation.

Discussions on safeguards centre both on the interpretation of Article 19 of the Gatt and on whether its wording should be changed.

But, as the basic principle of the Gatt is non-discrimination, the Article has been traditionally interpreted as meaning that if safeguards are to be introduced, they should cover all suppliers.

Revitalisation of the Article 19 procedures is widely seen as one of the means of restoring the disciplines of the open trading system embodied by Gatt.

Discussions so far have been caught in a stalemate because of the EEC's desire to have the safeguards system applied selectively—that is, against particular suppliers. This view is opposed both by the U.S. and a large number of developing countries.

A statement on safeguards is likely to appear in the second part of the ministerial conference's communiqué.

Kraftwerk in Japanese N-study

BY RICHARD HANSON IN TOKYO

TOKYO Electric Power Company has asked Kraftwerk Union AG (KWU), West Germany's largest nuclear reactor builder, to conduct a feasibility study on introducing its standard pressurised water reactor (PWR) into Japan.

An official for Tokyo Electric, the world's largest privately-owned power company, will pay ¥1bn (\$22.7m) for the study.

Japanese market. The three are Hitachi, Toshiba and Fuji Electric.

So far, Tokyo Electric has relied almost entirely on U.S.-designed boiling water reactors (BWR)—in its nuclear programme.

As of the first reactor Japan purchased from the UK, the U.S. has monopolised the market for both PWR, used by other Japanese power companies, and BWR plants.

and other requirements and practices. The type of reactor to be studied includes KWU's 1,300 megawatt capacity plant.

KWU's closest relation with Japan at the moment is with Nihon Selkoshu, a company which produces the key pressure vessel for its reactors.

As at the end of 1981, Japan was operating 23 nuclear power plants with a capacity of 15.7m kilowatts. It has another 18 planned or under construction.

Lufthansa order for Norway

BY FAY GJESTER IN OSLO

TANDBERG DATA, a part of the former Norwegian Tandberg company now owned by Siemens of West Germany, is to supply 1,800 terminals for installation at Lufthansa Airline's sales and traffic offices throughout Europe.

Lufthansa, the West German airline, has ordered the terminals from Siemens AG for delivery between now and the end of 1984, with options for a further 200.

Lufthansa's order could set a new trend.

Announcing the futures market that doesn't need a deposit. Ladbroke Index.

Ladbroke Index is accessible. Current quotations on all Ladbroke Index markets may be obtained by telephoning the dealing desk between 9.30am and 9.00pm, Monday to Friday.

Greeks snap up second-hand tanker bargains

By Our Shipping Correspondent

GREEK and Far Eastern shipping operators have taken advantage of depressed prices to buy up large amounts of second-hand tonnage this year.

Iberia announce four great ways to fly.

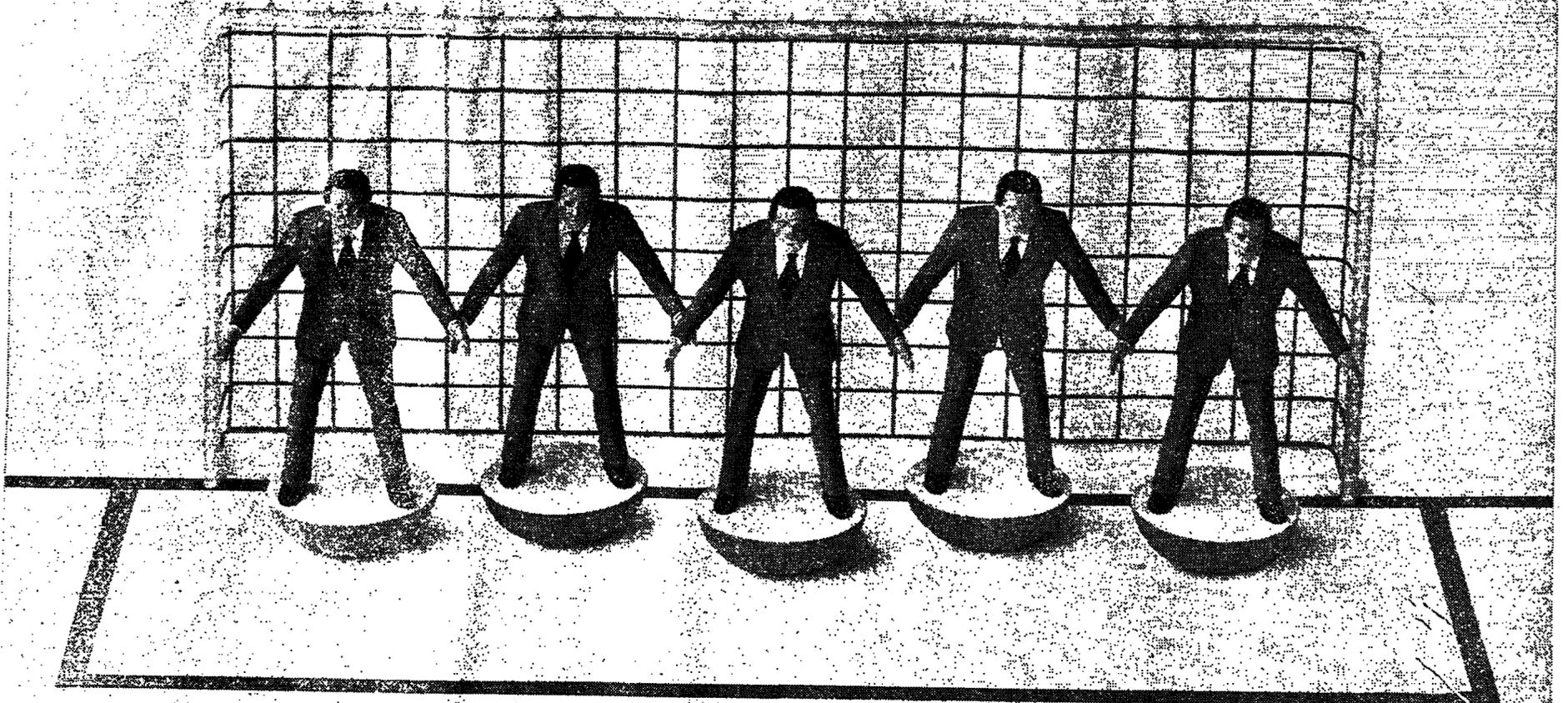
These symbols identify the new classes which Iberia, International Airlines of Spain, bring you now. In Iberia's Grand Class, everything is designed so that you will discover the ultimate pleasure of flying.

When teamwork is critical, count on Kyowa Bank.

As one of Japan's leading commercial banks with 236 branches throughout the country and US\$30 billion in assets, Kyowa Bank knows that essential to our success is our ability to work with people.



TACTICS FOR EXPORT GOALS.



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WHATEVER HAPPENS MAKE SURE YOU'RE PROPERLY COVERED.

If you know exporting, you'll know that things are liable to go wrong. Exchange rates can fluctuate. Payments can be delayed. And worst of all, buyers can go out of business.

Insurance is one way of avoiding heavy crippling losses on export deals. At Barclays, export insurance is one of our strong points.

We can recommend what kind of insurance policy best suits your operation, problem and pocket.

In addition to helping you with your insurance, we can provide the necessary finance.

There are ECGD guaranteed loans with low fixed interest rates for capital goods—in certain cases available even if you don't already have ECGD arrangements. Or should you wish to cover your deal completely without recourse, Barclays have, through our own Export Finance House, the flexibility to offer you 100 per cent cover, while still allowing you to benefit from the advantages of ECGD.

Our ways of helping to make your finance cheaper make it easier for you to compete, and for your buyer to pay. The savings could make the difference between getting the order or not.

These are a few of the ways we can help you.

To learn the full extent of our services and how we can meet your particular needs, speak with your nearest Barclays branch manager soon.

He'll give you advice you can trust. He'll make sure you're properly covered.



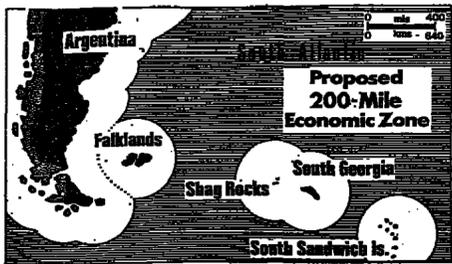
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International

PEOPLE WHERE IT COUNTS.

UK NEWS

The expensive legacy of Britain's long neglect of the Falkland Islands

David Tonge examines the implications of Lord Shackleton's comprehensive economic report



The Falkland Islands Company in particular owing 43 per cent of the islands' land. Development of local roads and eventual construction of a 2.5m-3.5m jetty for Port Stanley.

estimated cost of £750,000 over three years. Lending support to a pilot salmon ranching scheme, costing £300,000 over three years...

and, without considerable care, could be damaging in the longer term. Most of his remarks are addressed to the British Government and are aimed at giving the islanders the stable and diversified economy which he argues they need.

He underlines how the future attitude of Argentina to co-operation with the islands is "at the very least unpromising" and trusts that other South American countries will help with air links.



LORD SHACKLETON, author of the Falklands' report

THE COST of past British neglect of the economy of the Falkland Islands is brought out clearly in the Shackleton report, published by the Government yesterday.

However, the report makes clear that ensuring the 1,800 islanders a viable future may require much greater expenditure. Establishing regular civil air communications is described as "an absolute priority" and Lord Shackleton advocates construction of a 3,500 ft runway at a cost of £20m-35m.

Labour to focus attack on Militant inner core

SOME OF the eight Labour prospective parliamentary candidates to support the far-left Militant Tendency might not, after all, be expelled from the Labour Party.

Refiners aim to set retail petrol price of 176p

OIL REFINERS are leading a campaign for higher petrol prices which would result in motorists paying 4p to 5p a gallon more.

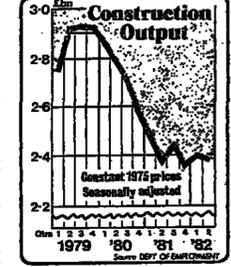
provided their dealers with financial support to remain competitive and retain market shares. Early last month companies raised prices by about 5p a gallon in the hope of establishing a reference point of about 172p-173p.

State-funded aircraft may be built abroad

THE state-controlled British Technology Group is to decide this week on the future of the Fieldmaster aircraft. Its designer wants to build it abroad after obtaining £800,000 in financial support from the National Research Development Corporation, a BTG offshoot.

Construction shows no sign of recovery

THERE IS still no sign of any significant recovery in construction output, judging by the latest figures published by the Environment Department. These show that construction output declined by 1.5 per cent in the first half of the year compared with the corresponding period last year.



Component deals signed by Motorola and Lucas

LUCAS, the UK motor components company, has signed two agreements, on both the supply and technology of electronic components, with Motorola, the U.S. electronics company.

RGC wins £11m British Gas order

BRITISH GAS said yesterday it had placed an order worth £11m with RGC Offshore at Methil, Fife, for the fabrication of a jacket for the Morecambe gas field in the Irish Sea.

International booster for energy concern

THE SMALL Bedfordshire concern, Energy Equipment Company, which designs specialised plant for burning solid and low-grade fuels, has been given a boost in the international market following its acquisition last year by Petrofina, the Belgian oil company.

GEC-Telecommunications chief quits

THE managing director of GEC Telecommunications abruptly left the company yesterday, Mr Douglas Morton, 58, had been with GEC for 12 years. No reason was given for his sudden departure.

F. H. Lloyd buys foreign equity with technology

F. H. LLOYD, the leading British steel castings group, yesterday announced an agreement to supply technological information in return for equity in an Asian foundry company.

Dunlop may invest more at Coventry

DUNLOP ENGINEERING is considering further investment at its Coventry vehicle wheel-making plant to increase productivity.

Metal Box's hot-dip tinsplate plant falls victim to old age and high prices

THE LAST example of a technology which once made Swansea's hinterland the centre of the world's tinsplate industry has just been closed down at Metal Box's Eaglesbus plant at Neath, South Wales.

Robin Reeves on the death of an old technology

the company bought from all over the world. But it has finally been killed by technological advance, the recession and, above all, the recent upsurges in tin prices.

Rank to handle Orion films

AN AGREEMENT has been reached by Orion Pictures Corporation and Rank Film Distributors by which RFD is granted theatrical and television distribution rights in the UK and Ireland for all Orion feature production.



The UK's last hot-dip tinsplate plant, destined for Swansea's Industrial and Maritime Museum

Plan to control fare subsidies

THE FIASCO surrounding the implementation and then withdrawal of the Greater London Council's cheap fares policy has focused attention on the issue of fare levels and subsidies for public transport.

The Government is proposing legislation to be introduced as a Bill this autumn to clarify the position on what is reasonable to spend on subsidising fares. It is intended that it should become law by February 1983.

Hazel Duffy looks at the difficulties facing government attempts to legislate on local authority transport policies. In the first of a series she looks at South Yorkshire, where fares have not risen since 1975.

South Yorkshire Metropolitan Council, in consultation with the councils, on an appropriate subsidy level. It will mean, in effect, that the cheap fares policies attempted by the GLC and already in operation in some other conurbation, will have to be modified.

fringement of local democratic rights. So far, they have refused to co-operate with attempts by the Department of Transport to prepare the ground for guidelines.

If the legislation is framed in what they see as the uncompromising terms proposed by Mr Howell, there is a distinct possibility that they will go on subsidising transport well in excess of the expected guidelines, paving the way for further legal action.

S. Yorkshire fights to keep its 3p bus rides

SOUTH YORKSHIRE is big on buses and low on fares, and the Labour-controlled county council wants to keep it that way. Fares on buses—the main mode of public transport in the predominantly urban area covering Sheffield, Doncaster and Rotherham—have been frozen since 1975.

When notifying the council of the Transport Supplementary Grant for 1982-83, the Department of Transport said: "The Government has made it quite clear that it will not subsidise extravagance of this kind which pre-empt resources needed for transport investment."

Mr Douglas Iveson, director of the chamber, says it favours subsidies for the elderly and schoolchildren and for socially necessary routes, but disputes other subsidies.

The effects of the cheap fares policy, combined with traffic planning which gives priority to buses, is plain to see. The services are punctual, frequent and popular. They are planned to take people where they want to go at the times they want to travel, and fares start at 3p, with children travelling mostly for 2p and pensioners travelling free outside peak hours.

Council officials estimated in November last year that the total transport subsidy needed to maintain present fare and service levels in 1982-83 would be £64.9m. The subsidy as a percentage of passenger transport gross expenditure (that is, before receipt of fares) is estimated at 76.9 per cent in 1982-83. In 1975-76, at the outset of the cheap fares policy, the figure was 39.7 per cent.

Mr Alex Waugh, chairman of South Yorkshire's transport committee, says it is impossible to predict the size of increase in fares that would be necessary to cut the council's spending.

South Yorkshire sees no reason to change its policy. The Labour councillors believe they would have been able to continue with it in spite of the Government's disapproval if the Greater London Council's fare-cutting policy had not

drawn so much attention to cheap fares. They now know that they, along with the GLC, are the prime targets for the Government's proposed legislation.

are paying to subsidise cheap transport. A straw poll among shoppers in Sheffield High Street in mid-afternoon suggests that most would be prepared to see their fares go up but not by much.

Urban fringe reclamation scheme to be extended

AN EXPERIMENT in reclaiming derelict land on the fringe of a major conurbation is to be extended to a further five areas in the next year, Mr Michael Heseltine, Environment Secretary, announced in Liverpool last night.

Mr Heseltine said he would give full details of extending the scheme at a conference in Wigan on October 11. Local authorities, through which public money for suitable projects will be channelled, will then have to bid to become one of the five areas.

Some of this land may be derelict because it has been spoiled by industry, and some abandoned by farmers, as a result of vandalism, or theft of crops, such as vegetables.

£2m boost for Television International

TELEVISION INTERNATIONAL—a company in the Rank Phicom Video Group, which supplies expertise, equipment and people to the television industry—is to invest £2m in equipment and premises.

'Indirect discrimination' in car insurance rates

INSURANCE companies which increase car insurance premiums for people who have not lived in Britain for three years may be indirectly discriminating against blacks and people born overseas, the Commission for Racial Equality says today.

Ulster to send five industry envoys to U.S.

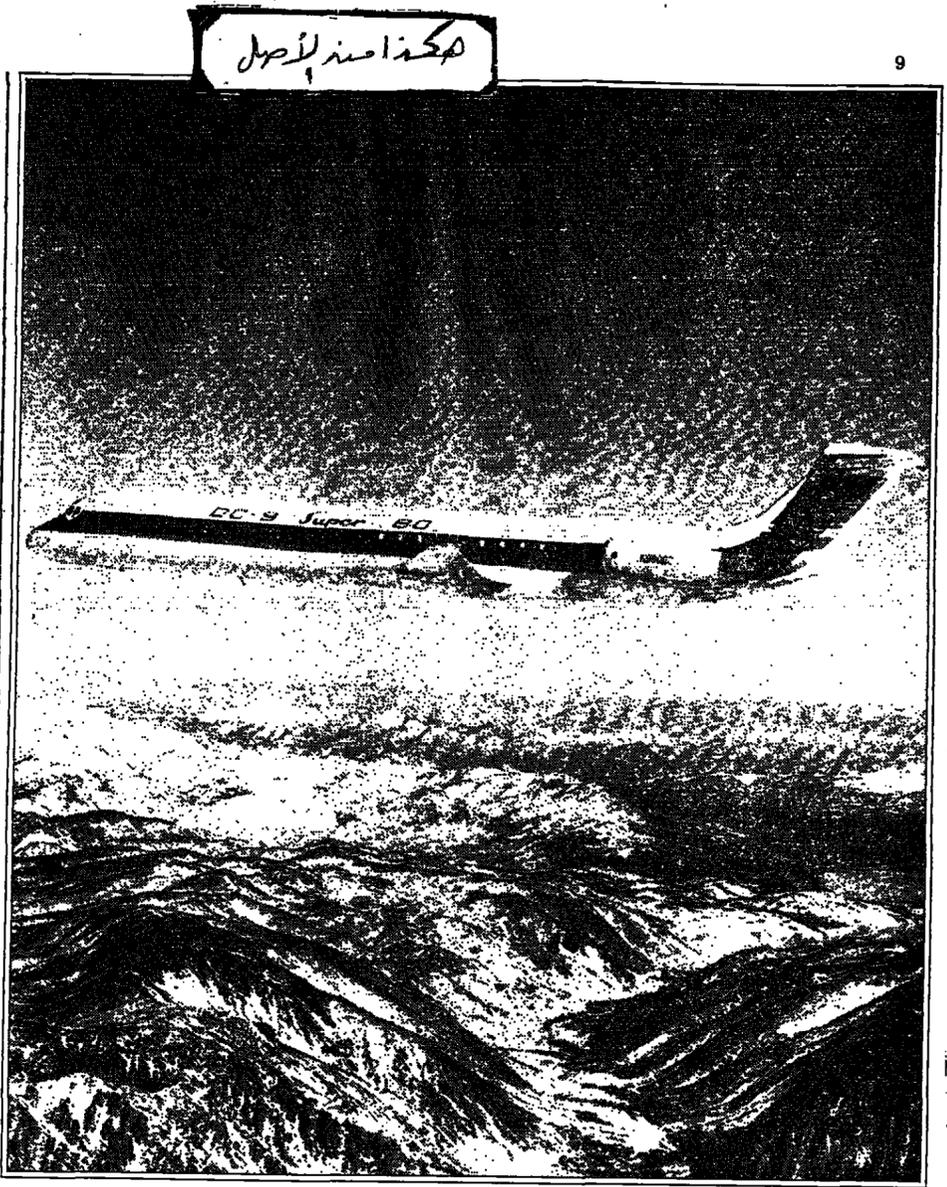
NORTHERN IRELAND is to strengthen its industrial development drive in the U.S., the province's newly-formed Industrial Development Board announced yesterday.

Pharmacists' responsibility for prescriptions affirmed

PHARMACISTS HAD the "final and ultimate responsibility" of deciding whether a prescription should be dispensed, Mr Henry Howarth, president of the Pharmaceutical Society, said yesterday.

feet through kangaroo because of a faulty prescription. The woman sued and received £100,000 in agreed damages. The pharmacist, who had not queried the prescription, was held to be responsible for 40 per cent of the sum.

Of these, 47 prescribed overdoses, 89 were for the wrong medicine, 599 specified no strength, 288 stipulated no quantity and 49 were illegible.



Super 80 soars to new heights when compared with the 737 in new passenger survey.

Knowledgeable flyers choose Super 80 twin-jet eight-to-one over competition.

The McDonnell Douglas Super 80 absolutely flew away from the two-engine 737 when passengers on the two planes were asked to pick a favourite.

In responses from more than 1,800 passengers, the Super 80 was rated "very appealing" more than twice as often as the 737. Knowledgeable flyers expressing preference — passengers who know what makes their trips more pleasant — picked the Super 80 over the 737 nearly eight times out of nine.

The survey was conducted on board 737s and Super 80s flown by the same airline, comparing the same routes, the same days of the week, the same fares and even the same interior colour scheme. The new Super 80 was a decisive choice — a winner on every point of passenger comparison. It was chosen for cabin quiet; quality of ride; leg, arm and shoulder room; carry-on luggage facilities; and seat-to-aisle access.

The Super 80 was a three-to-one choice of passengers surveyed in an earlier comparison with 727 tri-jets.

For more details of these surveys, write: **Travel Industry Affairs, McDonnell Douglas, 3855 Lakewood Blvd., Long Beach, CA 90846.** And for greater comfort when you fly — wider seats and aisle and an exceptionally quiet ride — choose the Super 80. The one most passengers prefer.

Super 80

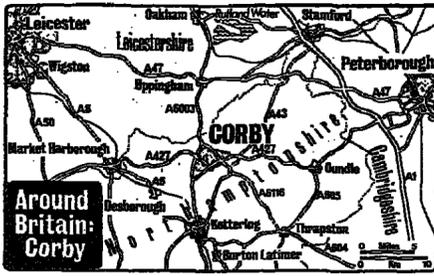
MCDONNELL DOUGLAS

Survey data collected and processed by independent researchers.

UK NEWS

Enterprising Corby's wonderful dream

Anthony Moreton visits a town fighting back against unemployment



Around Britain: Corby

THE POSSIBILITY that Corby could be the home of Britain's first holiday centre on the lines of Disney World stretches the imagination almost to the point of disbelief. Plans released in London last week, though, show that the concept is well on the way to reality.

Group Five, the promoter, is seeking to raise about £200m to launch WonderWorld on a site owned by the British Steel Corporation. Mr Fred McClenaghan, the Corby director of industry, a 33-year-old Ulsterman, is delighted. If it comes off, the leisure park could employ up to 3,200 people—an enormous bonus in a town where not only 6,000 people are out of work, but half of them have not had a job for a year.

He points out that, of the first 34 concerns to come into the zone, 15 were entirely new projects, and 11 came from the south-east of England. One is an overseas company from Dallas, and two came from the Midlands. "I can only identify five concerns which could be called local—by which I mean that they were previously within 25 miles of us."

"De Lorean and Nissan were in the news and so I thought of a development area. We saw the Highlands and Islands Development Board, rural Wales and Consett. It was the enterprise zone which swung us towards Corby. The zone meant we could plan five years ahead. We know the rent for some years and the rates bill, which is nothing for 10 years."

At present it has only 90 retail outlets, trading under the name of Wyles, located throughout the UK in areas the company describes as "prime positions but in secondary towns."

Ward White has plans afoot to expand at home and abroad

Lisa Wood on a shoe maker's acquisitions in the U.S. and up-market product launch in its home market

WARD WHITE, the Northamptonshire footwear group, is not a company to let the grass grow under its feet. Hot on the heels of its £13.6m acquisition of Hofheimer's, a private U.S. retailing chain in Virginia and North Carolina, the group is to launch a branded ladies' fashion shoe.

At the same time as this move towards increased specialisation, the group continued to try to relocate resources overseas. Mr Sharp said: "We had companies in Germany, Australia, Denmark and Norway, and then we came across the Childs Corporation in the U.S., with some 49 shoe shops. It was also the third biggest distributor of safety footwear in the U.S."

The company also bought the Kushin chain, in the upper end of the market for men's and women's shoes, last September, for £3.5m. It operates in California and Nevada. By the end of 1981, Ward's American turnover was \$65m (about £35m) out of a total of \$104m.

Cosmetics spending recovery predicted

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A RECOVERY in consumer spending on cosmetics and toiletries in the next few years is forecast today in a report from the Staniland Hall Associates research company. The report predicts that this recovery will boost the total market size from £7.41m last year to more than £12.2bn by 1988. In volume terms this represents a rise of about 2 per cent a year until 1986, after very little growth over the past five years.

Tannoy buys Tresham Audio amplifier plant

By Mark Meredith, Scottish Correspondent

TANNOY, THE loudspeaker manufacturer, has bought the plant and equipment of Tresham Audio of Peterborough, to expand production to include amplifiers. Tannoy became a UK-based company when seven senior managers bought it from its owner, Beatrice Foods of the U.S., in December last year.

Cadmium-scare village given clean health bill

THE HEALTH of residents in the poison-scared village of Shipham in Somerset was yesterday given a final all-clear in an official report.

The hillside village came under scrutiny more than four years ago following the discovery there of world record levels of the poisonous heavy metal cadmium. Cadmium had been found in some places to be 20 to 100 times above the national average. More than half the 1,100 villagers took part in medical tests.

Shoe industry in deep depression

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

WARD WHITE'S strong performance is one which nearly every other company in the industry would like to emulate. The deep depression which has settled over British footwear manufacturers shows no signs of lifting and Mr Michael Feilden, director of the British Footwear Manufacturers Federation, says it is passing through one of its blackest periods.

orders. Here, Mr Feilden says, the drop has been "calamitous." Indications are that the British industry will only obtain orders for 107m pairs this year compared with its output of 129m pairs last year. This has led to enormous job losses. In May the total employed in the industry was down to 57,000, and it is now probably nearer 54,000. A decade ago the figure was 88,000.

but to its own decline by putting in too little new capital and by making to order rather than trying to dictate trends. One of the problems it faces is that 10 large retail chains account for about half the market, and they tend to want a more standardised, less imaginative product.

85p doesn't go far these days. It does now.

Some companies spend vast sums of money providing information within their organisation. The RRC Viewdata Consultancy has a much better answer. Rent the finest hardware on the market with full service back-up. It will give you up-to-date information that could breathe new life into your company.

Labour and unions 'share some blame for jobs loss'

BY PETER RIDDELL, POLITICAL EDITOR

SOME OF the responsibility for the high level of unemployment must be taken by Labour Party leaders and by trade unionists, according to Mr Cecil Parkinson, the chairman of the Conservative Party, in a by-election speech yesterday in Gower.

Ms Shirley Williams, predicted in an unpublished report in 1976 that unemployment would reach at least 2.5m by the 1980s. Mr Parkinson's speech reflects the Tory Party's awareness of the damage which unemployment is causing to its political fortunes. Party leaders now want to attempt both to spread the blame for the increase and to assert that no individual party has the answer.

Council shares out jobs

STAFFORDSHIRE County Council today pioneers a job sharing scheme to help unemployed school-leavers. The council is taking on 46 youngsters to share 23 specially created clerical posts and they start work today. The scheme will be watched with interest by other local authorities.

New York for insiders. There is a New York hotel that combines extraordinary personal service with discreet luxury. This is convenient yet away from the midtown rush.

Gloucestershire Industrial Trade Fair. Computers to fork-lifts, packaging to heating—it's all at this huge event (200+stands) at Cheltenham Racecourse. For your free ticket(s) please phone or write to Marnat Marketing, 3 Park Road, Gloucester, (telephone 502862)—or simply present your business card when you arrive.

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UK NEWS - LABOUR

Voluntary groups threaten to boycott jobs scheme

By John Lloyd, Labour Editor

THE NATIONAL umbrella for voluntary groups has said it will recommend its local affiliates not to take part in the Community Programme Scheme, which is aimed at replacing the Community Enterprise Scheme for the long-term unemployed.

The decision, taken over the weekend by a delegate meeting of the National Association of Councils for Voluntary Service, will come as a severe blow to the Manpower Services Commission, which administers the scheme.

The Commission expects the voluntary sector to provide some 40,000 of the projected 130,000 places available annually under the Community Programme Scheme.

The association's move follows a decision by an ad hoc meeting of voluntary groups in London to boycott the CPS.

The Rev Alan Morgan, chairman of the association, said yesterday: "Our members have come to this decision with great reluctance, but we feel that our participation would only damage the effectiveness of our local councils for voluntary service in their present work on behalf of the long-term unemployed."

The delegate meeting criticised the scheme, announced in July by Mr Norman Tebbit, the Employment Secretary, as "inadequate and impracticable."

The CPS will pay an average of £80 a week for mainly part-time work to the long-term unemployed, replacing the £90 a week paid for full-time work under the Community Enterprise Scheme.

Last month, the Trade Union Congress general council backed the new scheme, though with serious reservations.

The local authority unions in particular are concerned that it should not threaten employment for their members in local government, and want safeguards from the MSC.

The commission said last night that its chairman, Mr David Young, is to write to the association stressing that the CPS still pays the hourly "rate for the job," and that it is aimed at increasing the flexibility of work available to the long-term unemployed.

The letter is likely to be couched in the same terms as one sent to the London groups last month by Mr Jeremy Surr, head of the MSC's Community Programme branch.

Mr Surr argued that many more full-time jobs could be created under the CPS than under the old scheme, and that they would pay around £75 a week.

Three-day week jobs would pay £45. Mr Surr's letter said that those in full-time work under the CPS would be significantly better off than they would be on state benefit.

After mass meetings and some union-organised ballots over the past few days at BSC's 13 plants and three packaging factories, it is believed that 13 sites have accepted the offer and three have rejected it.

BSC estimated the pay offer at 9.5 per cent for most process and clerical workers and has said it would go ahead and pay the increase from Friday, backdated to April.

The decision to go ahead, despite continued union rejection, followed a company ballot in which 55.1 per cent of those eligible to vote accepted the deal.

Union officials last night expressed little surprise that the workforce had now also decided to accept the offer through their union channels.

Although industrial disruption of the record beet harvest is now unlikely, the three plants that continued to reject the offer at week-end mass meetings—York, Peterborough and Walsington—may still press ahead with some action.

According to Mr Rokey Ashford, union convenor at Bury St Edmunds, the decision to accept the offer there had only a five vote majority.

He said: "We are extremely disappointed by the result. We put it down to the BSC ballot which is a very worrying development. Next year the union will be irrelevant because they will just put the pay offer straight out to ballot."

The two unions involved—the Transport and General Workers Union and the General and Municipal Workers Union—were already isolated even before the BSC ballot because the pay offer was accepted by the craft and management unions.

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Sugar beet harvest disruption not likely

By David Goodhart, Labour Staff

A CAMPAIGN of industrial action aimed at disrupting the British Sugar Corporation's autumn sugar beet harvest is now unlikely following the majority of the 2,700 process and clerical workers accepting BSC's pay offer.

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Rail pay award says productivity vital

BRITISH RAIL'S arbitration tribunal, chaired by Lord McCarthy, recommends that 6 per cent pay rises be paid to BR's 177,000 workers from September 6. It also proposes further progress towards improved productivity.

This will affect the volume, pace and direction of Government assistance, the tribunal's report says. Without evidence of continued progress there will be few funds available—and

Existing guards should be retained on non-operational duties—such as revenue collection—for a minimum of six months, after which both parties will be free to decide whether or not to retain them permanently on these duties.

Single manning of traction units. Discussions to take place on introducing single manning of locomotives. If no agreement is reached, the parties should be free to refer the issue to the tribunal, with provision for a hearing within 30 days.

Manpower concept. The NUR and the drivers' union, Aslef, to provide joint proposals for introducing this concept, a new grade which would provide opportunities for promotion to driver, within three months.

Where changes affect staff responsibilities, additional rewards should be agreed. The other 1981 commitments—on open stations and flexible rosters, have been met.

Unions should discuss BR's proposals for further productivity improvements, the tribunal says. The board wants co-operation with cuts in passenger mileage, reallocation of workloads between depots, adjustment of terminal staffing and accelerated administrative economies.

The tribunal recommends 6 per cent rises from September 6. The minimum earnings level should be raised by the same figure, but from last April 19.

A further review should take place in time for the expiry of the agreement on April 17, 1983. The parties should also get together to agree an additional day's holiday in time for next year, the tribunal says.

However, it continues: "We do not mention this to apportion responsibility, or to suggest that any of the parties acted in ways other than they thought right at the time."

The report rejects arguments by the unions that the tribunal should propose an immediate influx of support from the Government to provide both a long-term future for the industry and reasonable pay levels now.

It "cannot share the hopeful assumptions on the union side concerning the size and availability of funds" for this purpose. There are severe limits on what can be recommended without assuming access to special government aid, which it would be irresponsible to do.

As a result, it was not possible to award the kind of increase the unions demanded, or might have been awarded in the absence of the special circumstances of 1982.

It was important to maintain "to the extent that it is possible this year" a movement in pay rates not too far out of line with what would have been possible in normal circumstances, while appreciating the board's cash flow problems.

The tribunal stresses in conclusion: "The unusual and unprecedented events of this year should not be accepted as either typical or likely to recur."

Given continued co-operation along the lines of proposals advanced elsewhere in this award, improvements in productivity and efficiency should make it possible to achieve advances in terms and conditions that are unfortunately not available at the moment."

Apart from Lord McCarthy, the tribunal comprises Mr Edward Choppin, for BR, and Mr George Doughty, for the unions.

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Barclays suspends Bifu member

By Our Labour Staff

TALKS WERE taking place last night between Barclays Bank management and officials of the Banking, Insurance and Finance Union, following the suspension of a Bifu member in Derby who refused to handle Saturday-related work.

Last Saturday, Barclays extended its Saturday-opening experiment to 367 branches, adding to the 24 branches that began Saturday opening last month.

Bifu asked its 15,000 members among the bank's 70,000 UK staff to black Saturday-related work on weekdays as part of a campaign of industrial action against Saturday opening.

Bifu members rejected Saturday opening in a ballot but the 35,000-strong Barclays Group Staff Union accepted the move.

Barclays said yesterday the extension of Saturday opening was a great success and there had been little reported blacking action in retaliation.

The bank had warned that refusal to undertake Saturday-related work "will be regarded as a breach of contract and could result in suspension from duty."

The one Bifu member suspended yesterday was Mr Richard Massey. He works at the St James's Street branch in Derby. Mr Massey is chairman of Bifu's West Midlands area council.

Bifu yesterday would not predict the outcome of talks over the suspension but said union protesters outside branches opening last Saturday reported very slow business for the bank.

Bifu said the bank had tried to sidestep its blacking policy by giving the Saturday work to non-Bifu members in most branches.

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Bank of England staff plan union link

By Brian Groom, Labour Staff

LEADERS of the Bank of England Staff Organisation are to begin talks on a possible merger with the largest finance industry union, the TUC-affiliated Banking, Insurance and Finance Union.

The organisation has 3,000 full-time and 1,400 retired members. It represents about 71 per cent of the Bank's staff at administrative level and below.

A merger would be a further boost to Bifu, which is one of the few TUC unions to continue to grow in spite of the recession.

A number of staff associations have joined it, and the union recently topped 150,000 members.

There is likely to be strong opposition from some sections of the Bank staff organisation. Previous merger talks failed in 1979.

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Advertisement for First Interstate Bank featuring a globe and the text: "Welcome to a world of correspondent banking. You'll end far over the horizon in Singapore, where both the Asian and American shores of the Pacific have been united by one correspondent banking network. A network that makes one new world out of two. And your correspondent banking will be better, because no other bank system can deliver the strength of 900 offices throughout the American West, major American-Pacific ports, and 9 offices in Asia that stretch from Tokyo to Bangkok."

Boilermakers' leaders back merger

By John Lloyd, Labour Editor

LEADERS OF the 120,000-strong Boilermakers Society, with members in shipbuilding, engineering and mechanical construction sectors, have started a campaign to convince members to vote for amalgamation with the 865,000-strong General and Municipal Workers' Union.

The latest issue of the union journal sets out the instrument of amalgamation between the two unions and gives a lengthy rehearsal of the benefits it would bring to members.

Amalgamation is supported by an editorial arguing for merger. This is written by Mr Sandy Scott, the Boilermakers' acting general secretary.

The society has begun a ballot of its members on amalgamation, in parallel with a ballot being taken by the GMWU. These ballots close on October 6.

Mr Scott, in his editorial, says the union has successfully fought an injunction against the ballot. The injunction was brought by Mr Michael Laws, a member of the society's Rochester, Kent, branch, who sought to delay the ballot until more information was provided.

Mr Scott says he regretted that factions publicly posturing as custodians of democracy within the Boilermakers union should react with the utmost hostility because its members were being consulted and provided with the opportunity to exercise their democratic right.

He adds that the union is determined the issue will not be decided by a group of politically-motivated activists, a small caucus or a clandestine group putting its own narrow self-interest first and which would seek to impose its will.

The case made out for amalgamation concentrates on the advantages of a single union agreement covering craft, manual and staff in shipbuilding and engineering companies.

These agreements could be made by the new union, to be called the General, Municipal, Boilermakers and Allied Trades Union.

Left-wingers and others in the society in past years rejected amalgamation with the GMWU. They argued for a merger with the Amalgamated Union of Engineering Workers, the largest craft union.

The ballot will be completed before the society's biennial delegate conference which begins on October 18, and will thus pre-empt a body which has been traditionally hostile to the GMWU.

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Four-day march for jobs planned

Financial Times Reporter

A PROTEST march for jobs, which in four days will pass through many of the country's worst unemployment black spots, gets underway tomorrow.

More than 250 sponsored marchers wearing special green jackets, who are expected to be joined by hundreds more along the routes, will set off from five major Midlands cities—Derby, Stoke, Shrewsbury, Hereford and Northampton.

It is part of a continuing campaign to draw attention to the plight of the jobless.

Each of the marches will converge on Birmingham where a festival against unemployment will be staged in a city park on Saturday.

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Advertisement for Garuda Indonesian Airways featuring a Garuda logo and the text: "With us, business really takes off. The Indonesian economy is continuing to expand while much of the rest of the world is in recession. And Garuda Indonesian Airways offers every business traveller a full information and advisory service on trading opportunities with Indonesia. Backed by rich reserves of oil, gas and mineral resources, the Indonesian economy remains a buoyant market for capital and construction equipment, modern manufacturing technology, marketing expertise and many other goods and services. In addition, Garuda Indonesian Airways also offers business travellers all the comfort and convenience of a separate section on the upper deck of our 747 aircraft, with wider seats and more room to work or relax, complimentary drinks, wine list, choice of menu and in-flight entertainment. We take off for Jakarta direct from London Gatwick twice a week. And if you'd like more information on how we can help your business take off, simply ring 01-434 2591/2, 01-437 2918 or write to Garuda Indonesian Airways, 199 Piccadilly, London W1. For business on the up and up."

TECHNOLOGY

EDITED BY ALAN CAINE

Film and Video

Tunnel vision for cable TV

BY JOHN CHITTOCK

WHEN the video industry braced itself in the '70s for the boom which has followed in the '80s, the broadcasters and the film industry dismissed it out of hand.

Perhaps with memories of this myopia, cable television prospects in the UK are currently yielding for those industries a bout of tunnel vision. The debate, in the midst of Government deliberations which are now expected to open the way for cabling up substantial areas of urban Britain, is fuelled by the awesome statistics from North America.

There has been no shortage of such data in recent months—such as that to be found in an excellent book appearing later this month, *The Third Age of Broadcasters* (Faber). In this collection of articles mostly by people in the broadcasting establishment, a very cautious view about cable emerges. For example, in the U.S. "some cable companies are already worried that it may take seven or eight years worth of monthly subscriptions to recoup the millions they have spent on wiring a community."

In the present British cable hype, the situation is very different from that which sparked off the American race to print money—and very different from the success story of video.

American cable was started—as in Britain as early as 1952—to relay broadcast television programmes, especially in areas of poor off-air reception.

The stagnation of British cable TV (then called relay TV) was due to two things: the co-operative BBC/IBA engineering programme which has brought high quality transmitted television to nearly 90 per cent of the country (relying on cable relay unnecessary) and the restriction imposed on cable services to offer only BBC and ITV programmes (except for some brief pilot schemes allowed in the '60s and '70s which permitted local programme origination).

It is hoped that the economic explosion in cable will now occur in Britain because of the Government's agreement to remove these restrictions. But the new service must be paid

for through private investment and consumer demand—which means, of course, that customer subscription and/or advertising revenue must yield enough cash to support the initial capital investment of up to £3bn for cabling half the country, plus the further cost of running the service.

The incentives for viewers to pay another £100 per year or more on top of their current £46 colour TV licence boils down to one word: choice. It comes in various assortments. The very latest feature films. A range of TV channels so that, perhaps, there is a better chance of always finding something of personal interest at any one moment.

Diversity of subjects—catering in some cases for the smallest of minority interests. Breadth of coverage—such as the 24-hour news service. As Melvyn Bragg says in *The Age of Broadcasting*—lack of space has forced those who want to report on the arts to resort to impact rather than appreciation.

Investment

The benefits are attractive. But while relay TV in Britain has been stagnating, a new cable industry has been born which is now catering for many of these needs. By the time it reaches 50 per cent of UK homes (in about six years) at a capital cost roughly the same as the £3bn for cabling up half the country, the consumer will have invested the investment—not the City.

The industry is, of course, home video. Mr Kenneth Baker might be quick to identify the snag about video which makes it very distasteful to the Government compared with cable: most of the £3bn will have been exported.

Ah yes, but then there is the creation of jobs which cable can offer. However, one estimate made at a Press conference last week was that the video industry has already created 20,000 new jobs in the last two years—a figure which might grow to nearly 250,000 in the next decade.

Video, nonetheless cannot challenge one special virtue of

Computervision compatible with existing databases Solid 3D colour modelling

BY GEOFFREY CHARLISH

COMPUTERVISION, the Massachusetts-based computer aided design (CAD) company which in five years has raised its revenues from \$35m to \$270m and now claims to sell more than all its competitors put together, has come to the market with solid 3D colour modelling driven by a new 32 bit computer and some considerable new software.

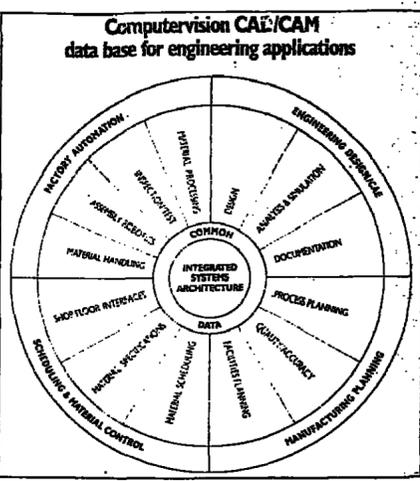
The company is not the first in the field with the technique, in which the engineer can build up on his VDU screen complete, technically described pictures or engineering items which, to look at, bear a close resemblance to a colour photograph of the product as it will appear at the end of the production line.

However, Patrick Alias, who is vice-president for marketing in Europe, claims that the Computervision system, called Solidesign, is capable of full integration with existing CAD databases and is interactive: any screen change made in one area is automatically absorbed by all the others. Some competitive systems tend to be "stand alone" solid modellers and so might not be able to embrace existing functions/programs already developed by a company. And they are not interactive.

Computervision, which is putting 10 per cent of its revenues into R & D—mostly costly software development—is becoming increasingly successful in Europe, which now accounts for 36 per cent of its business and where the company now employs 600 people.

It expects Solidesign to push the European figures still higher. "There's more design going on in Europe than the U.S.," says Alias "because there are more places in which it can happen." He cites the PTTS—one per country, each designing its own telephone network.

In Solidesign, Computervision puts the emphasis on a total design and manufacturing



database—which simply means that everything that needs to be known about the product is held ready for reference by the computer in a disc store; the various parts of the database can "talk" to each other. For example, as soon as the dimensions are finalised the machine has the intelligence to produce NC cutting path data, weights, bills of materials and so on.

Solidesign is concerned with designing not just isolated metal or plastic parts; it goes on to put the whole product together.

The story does not end there however. Because all the data is being held on a common basis there is no need for drawings, except perhaps for a mandatory reason originating with a customer. Each interested party, anywhere in a plant, has access on his screen to exactly the

same data.

According to Alias, there is at least one European motor car maker that has told its subcontractors that no more drawings will be supplied. They will be expected to get their information from terminals.

It is evident that Computervision is intent on pushing these ideas as far into the whole production environment as possible. For example, deploying the common database idea once again it is feasible to work out product testing and perhaps, even let the computer control it. Looking backwards from the testing areas however, the designer might well be able to modify the product (before it is ever made) so as to simplify testing and cut costs.

Certainly, simulations of product functioning can be dealt with on the screen. If a part

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Recording Thorn-EMI range

CAPTURING THAT fleeting moment is now possible with a new range of transient recorders from Thorn-EMI Data-tech, Feltham, Middlesex.

The range is microprocessor based and has eight channels. The manufacturer claims that the instruments have several advantages over rivals such as large memory, programmed keyboard control offering user a choice of different menus or operations and a non-volatile memory which can be pre-programmed in the laboratory for site work. More information on 01 890 1477.

Health Screening tests

A COMPUTER controlled diagnostic electrocardiography service that is claimed could simplify health checks is to be introduced by IMSECO, the Macclesfield-based hospital management consultants.

It is the first service of its kind in the UK and will offer very sophisticated screening tests to try and detect early signs of heart trouble. It will operate 24 hours a day, throughout the year and a company has plans to establish it on a national basis. More information on 0625 23171.

Machine tool New lathe

A MEDIUM size computer numerically controlled slant bed lathe offering high speed operation, is now available from Milliven CNC, Loughborough.

The lathe is the latest addition to the ACT series of lathes designed by Okuma and Howa. It has spindle speeds from 30 to 3,000 rpm programmable in two ranges. The spindle diameter is 77mm. More details on 0509 37593.

Man-made diamonds Formset for grinding wheels

GENERAL Electric Company of the U.S. has introduced a polycrystalline man-made diamond which, it claims, can replace the single crystal mined diamonds in tools for dressing aluminium and silicon carbide grinding wheels.

The new tool material is thermally stable at 1200 deg C and, therefore, diamond tools can be manufactured using the same high temperature metal setting powders and techniques used for single crystal diamond tools.

Standard shapes include cylinders, rectangles and triangles in five sizes from 15 to 50 grams with additional sizes planned for later this year.

Known as Formset, the randomly oriented crystals are bonded to each other by a high pressure, high temperature process to create a dense polycrystalline diamond.

GE (U.S.) makes strong claims for Formset. It says that the performance of internal type dressing tools was compared by a bearings manufacturer with that of single crystal diamonds.

During the tests small diameter (1/2 inch to 2 1/2 inch) 80 grit, L grade vitrified bond aluminium oxide wheels were dressed at a wheel surface speed of 8,700 feet per minute.

According to the company, Formset tools did not have to be adjusted frequently and produced twice as many ground parts as conventional single crystal tools.

In other tests a second bearing manufacturer compared the performance of 120 degree included angle cone-point Formset tools with 0.004 inch nose radii with that of similar cone-point diamond tools.

The tests were conducted on 70 grit N grade oxide wheels at surface speeds of 9,200 feet per minute. According to these tests Formset reportedly provided two to three times longer tool life.

Further information about Formset can be obtained from the Specialty Materials Department of International General Electric Company, Park Lane, 111, Park Road, London NW5 (01-462 4100 or telex 24367).

MAX COMMANDER

Mobile radio equipment Versatility for power industry

TWO COMPANIES based in Watford, Dymar Electronics and Neve Radio Telephones, have announced new mobile radio equipment in both cases aimed at the fuel and power industries.

Considerable versatility is offered by the Neve equipment, which allows either frequency or amplitude modulation to be sent, the former generally for data, the latter for speech (the necessary digital tone generation is built in).

Called Neve 281, the equipment employs frequency synthesis to provide 80 channels, expandable to 900 channels.

The availability of both FM and AM also means that when the upward change of frequencies planned for these users in the long term takes place, modulation choice difficulties will not be a worry. Neve already has initial orders from North West Gas and from Rumbelows, the electronics/electrical retailer.

The system from Dymar also allows the user to choose from 80 channels with 12.5 kHz channel spacing. Channel selection is by two switches, giving 0 to 99.

The allocation of channel frequencies to channel numbers is programmed by means of easily interchangeable read only memory modules.

This 7.5 watt output set has a full range of selective calling in which the base station is able to activate only appropriate mobiles; and also has a tone-access option, a means of assured addressing of a base station by a mobile.

More information from Neve on 0623 31034 and Dymar on 0623 37521.

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EDITED BY CHRISTOPHER LORENZ

THE MANAGEMENT PAGE: Small Business

Why Jack Melchor is weighing the future

Tim Dickson examines the Anglo-American Fund



SETback for the sceptics

IF SET Systems succeeds, Jack Melchor will have picked a winner which many others were too cautious to back. Two years ago SET's founders... While nobody has financial control... "We have already found that it can be extremely useful to have first hand information about what is going on in the U.S. Recently, for example, Bill Parker tipped us off in advance that there was going to be a shortage of 64K RAMS and that we should stock up."

THE FUTURE role in the UK of Jack Melchor (right), the Californian venture capitalist, could well be decided later this month. Just under two years ago Melchor teamed up with the National Enterprise Board to launch the £2m Anglo-American Fund...

financial scene for a good many years. In some respects Anglo-American has not lived up to its initial high expectation. Melchor himself, for example, has been disappointed by the small number of investments which the fund has made. Only about £1m has so far been committed to four projects.

have identified in the South-East. The position however, has been complicated by recent criticisms of Anglo-American, and the share of future gains which goes to Melchor's management company. The Californian is upset by the suggestion that he is getting an unjustifiably good deal and for the moment at least has shelved his private sector plans.

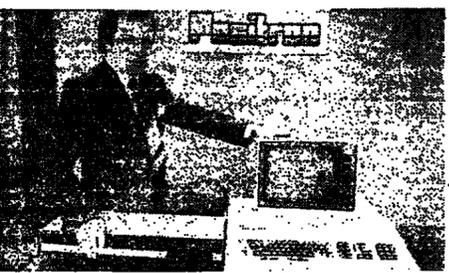
nology Group (which now embraces the NEB). The three case studies below of established Melchor-backed companies—the fourth in the Anglo-American portfolio is still at the R and D stage—illustrate the sort of contribution which a venture capitalist like Melchor can make.

were prepared to take high risks to achieve rapid growth. In the event the combination of a good idea (of which there is no shortage) and business experience has proved to be much rarer in the UK than in the U.S., he says. The other problem is that venture capitalism U.S. style is not yet widely understood in Britain. For example, while the rewards received by the Melchor management companies are considered by some to be high in the UK, they are below the general rate in the U.S. and are seen as providing a reasonable remuneration given the contribution of venture capitalism.



Positively Positron

"WHAT I am trying to do is turn the company into a fast growing Californian-style business," says Peter Plinston, Positron's 27-year-old managing director. Despite the company's perhaps unlikely location in premises on a typically unprepossessing industrial estate near Newton-le-Willows in Lancashire, these words need not be an empty boast. Founded in 1979 by Plinston and another former IBM executive, Positron was Anglo-American's first investment when the fund put up £250,000 and took a 46 per cent equity stake in March last year. Over the last 18 months progress has been steady, if not yet spectacular, but Plinston is confident that his fledgling microcomputer business is poised for a big breakthrough. Profits have just begun to appear, sales next year are budgeted to hit £2.5m, and if all goes according to plan an Unlisted Security Market (USM) quote will be sought in the mid-1980s.



Peter Plinston of Positron (left) and Steve Norman of Direct (UK)

microcomputer which took Plinston 15 months of hard work to develop. Its chief features are a large main memory and a multi-programming facility which enables four or five people to use it simultaneously. Lobbying The company's intended initial target was the UK secondary school market. Ironically this was cut off thanks to the Government's Micro-computers in Schools programme, which made money available for local education authorities to buy microcomputers provided they used an approved list of suppliers. In spite of fierce lobbying Positron was not among them. Plinston, who has always wanted to run his own business, although he admits that IBM nearly trapped him, turned his attention successfully to the

higher education market. Considerable efforts have also been made to develop specific "vertical" applications with software specialists—for use, for example, in the medical, energy control and CNC machine tool fields—and to tie up with general package systems. Plinston says he has learned a lot from his links with Melchor and clearly much of the American's style and philosophy has rubbed off on the UK entrepreneur. In particular he cites access to Californian companies—easy apparently when Melchor arranges the introductions—and the advantage of a Californian contact to help iron out any sourcing difficulties. "Jack and his colleague Bill Parker have also been able to give us an idea of the success of similar products over there," he adds. "The tibbits of information can be invaluable."



Direct (UK)—via California

DIRECT (UK) was not just financed by Jack Melchor through the £2m Anglo-American Fund. The small Warrington-based company was virtually his creation. "Virtually" is an important qualification, for the enterprise would also not have got off the ground without Steve Norman, its 28-year-old managing director and until last year an Englishman happily living in California. After acquiring a degree in physics from Oxford, Norman went to Stanford University, in California, where he was quickly impressed by the "get up and go" attitudes of his American contemporaries. He completed his PhD and joined Direct Incorporated, a fast-growing computer hardware

business in the heart of Silicon Valley, fully intending to gain some experience before setting up his own company on the West Coast. Barely a year had passed, however, when Melchor suggested that Norman might like to head a company selling the U.S. group's products to the UK and European markets. Melchor had been closely involved with Direct from the start. Norman relished the challenge and welcomed the opportunity to resettle in Britain while teaming up "with people who knew what they were doing." Direct (UK) thus began life last September, with £300,000 from Anglo-American, and ownership divided between management, Direct Inc and of course the Fund. Products at the moment are essentially a range of com-

puter peripherals for Hewlett Packard machines, made by Direct Inc. Direct (UK)'s immediate plan is to start local assembly of the American products, which at the moment are imported in finished form. Initially components will all be shipped in from the U.S. but in future the idea is to develop new ones in Europe. Direct (UK) also aims to work in conjunction with specialist software houses in an attempt to enhance the use and value of its products. Besides access to money through the Fund, Norman points to the "incredible advantage of having a man like Jack Melchor who in his time has helped set up 30 to 40 companies" (one of these, coincidentally, was Hewlett Packard). "He has helped identify key management, notably by introducing our chairman, Alan Leonard, a man with considerable experience in the north of England and in small firms. Jack has also helped spot marketing opportunities and suggested new products which we could add to our range. We are in fact talking to one of his contacts about this at the moment." Melchor, says Norman, brings "high risk approach" to high technology and encourages companies in which he invests, to "think big." Both these qualities, he believes, are generally lacking in Britain where companies' expectations for growth are conservative.

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For further information, please contact the
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BUSINESSES FOR SALE

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**L.V.L. FOUNDRY LIMITED (IN RECEIVERSHIP),
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polystyrene, etc.
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Enquiries to: W. M. McCann, F.C.A., Receiver
L.V.L. Foundry Ltd., (in Receivership),
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expand multi-million pound apparatus
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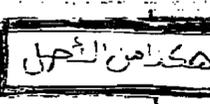
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LTD.**
Whose assets include
Plant, Machinery, Order Books at 28th
August of approximately £182,000,
Leasehold premises approximately
10,000 square feet, Stock-in-Trade
approximately £50,000, Office Furni-
ture, equipment and plant, last year
£1.5 million. The Company is still
operating and profitable as a whole
are invited.
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store centre
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45,000 SQ FT TRADING SPACE
FOR SALE AS A GOING CONCERN
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APPOINTMENTS

Metal Box financial controller

METAL BOX has appointed Mr Anthony Foster group financial controller from November 1. He succeeds Mr A. J. Pearce who is retiring from the company on December 31. Mr Foster is group chief accountant of Babcock International.



Mr Roy G. Heape, managing director of Midland Bank Trust Company

Mr Robert E. G. Fitzgerald has been appointed a director of J. TREVOR INSURANCE SERVICES. He was sales and technical development manager for the broker division of Abbey Life Assurance Company.

STAG FURNITURE HOLDINGS has appointed Mr Patrick Clancy as joint managing director of the group. He was a director of Cope Allman International and chairman and chief executive of the fashion division. He has been a non-executive director of the Stag Group since 1978. Mr Clancy takes over the joint managing directorship from group chairman, Mr Patrick Radford, who relinquishes this appointment to concentrate full-time on his role as chairman. Mr John Radford continues as joint managing director.

Mr Thomas Leigh Advertising chairman Mr Gwyn

Frank Goztec has been named as managing director of Thomas Leigh Advertising. Other changes include the addition of account director Mrs Carl Gilbey to the board as deputy managing director, with Mr Charles Lewis being named as client services director. Art director Mr Chris Bedwell was also elevated to the board.

BNF METALS TECHNOLOGY CENTRE. Wantage, has appointed Dr Dennis Haddfield as director of the newly-created ferrous operations division from October 4. Dr Haddfield was technical director and executive director for steel production at Swift Levick and Sons, part of the Dupont Group.

Mr Brian Monk has been appointed sales and marketing director of CONWAY LEISURE PRODUCTS, a subsidiary of the James Haislead Group.

Mr John Hannam has been appointed a director of ROUSE WOODSTOCK METALS, a member of the Mercantile House Holdings Group.

The Home Secretary has appointed Dr Philip H. Connell to be chairman of the

ADVISORY COUNCIL ON THE MISUSE OF DRUGS, to succeed Sir Robert Bradley who retired at the beginning of this year. Dr Connell is the director of the drug dependence clinical research and treatment unit at the Maudsley Hospital, London, and chairman of the Institute for the Study of Drug Dependence.

TOWNSEND DEVELOPMENTS (LANCASHIRE) has appointed Chris Greas as associate director.

Mr Roy G. Heape, as present an assistant general manager, has been appointed managing director. MIDLAND BANK TRUST COMPANY, from December 1.

Air Chief Marshal Sir Robert Freer has joined BRITISH MANUFACTURING AND RESEARCH COMPANY, Grantham, as a defence consultant. Until his retirement Sir Robert was commander of the Royal College of Defence Studies.

When Mr F. G. Fenton retires on September 30 as secretary of the NATIONAL DEPOSIT FRIENDLY SOCIETY after 34 years' service, Mr G. W. Barnard will replace him as general secretary.

Table with columns for bank names and interest rates. Includes A.B.N. Bank, Allied Irish Bank, Anglo Bank, etc.

RACING

BY DOMINIC WIGAN

LAST YEAR'S Jack Leader Trophy was the middle leg of a Yarmouth treble for Lester Piggott and the champion jockey will be confident of winning it this time on Bertocelli.

Robert Sangster's Roberto colt proved more than a match for fitter market rivals Zaheendar and Molokai in a six-furlong maiden here last month and there will be many disappointed faces at Warren Place if he cannot confirm his superiority over Michael Stoute's runner-up on terms 5 lbs worse for the length that separated them.

A quarter of an hour before Bertocelli puts his unbeaten record on the line, Strister Smile will be doing likewise at Redcar. This stable companion to Bertocelli will be favourite in hand the Sandnes Nursery, but I doubt if he is good enough to give a lot of weight to Final Set.

The Racecourse Club, which pioneered club ownership of racecourses in 1969, is launching a scheme to bring racecourse ownership within reach of its entire membership.

By forming the Racecourse Club owners' group it is establishing a club within a club to finance the purchase of two £15,000 yearlings and keep them in training for two years.

The owners' group, which will be wholly owned by 300 members subscribing £250 each, is open only to members of the Racecourse Club, each of whom will receive his or her full share of all prize money won, interest on money invested on behalf of the two horses when they are sold at the end of their three-year career.

The two yearlings will be bought by Jack Doyle and trained by Michael Jarvis and Chris Thornton. The trustees responsible for the control and management of the horses will be Lord Gornley, Lord Oaksey, Tony Fairhair and Louise Goff, secretary of the Racecourse Club.

- YARMOUTH 2.15 - Loch Ard 2.45 - Wajo 2.15 - Bertocelli 3.45 - Devil May Care 4.15 - Queen Of Scots 4.45 - Transit REDCAR 3.00 - Final Set 4.30 - Disco Dago 5.00 - Mister Accord

BBC 1

- 6.40-7.55 am Open University (Ultra High Frequency). 12.30 pm News After Noon. 1.00 Pebble Mill at One. 1.45-2.00 Bagpuss. 2.15 Songs of Praise from Deptford. 3.53 Regional News for England (except London). 2.55 Play School. 4.20 Roger and Co. 4.30 Play School. 4.35 Play Away. 5.00 Newsround. 5.10 Animal Magic with Johnny Morris. 5.35 Wilko the Wisp. 5.40 News. 6.00 Regional News Magazines. 6.25 Nationwide. 6.50 Anglia. 7.15 Last of the Summer Wine. Starting Bill Owen, Peter Sellers and Brian Wilde. 7.45 In at the Deep End: Paul Heiney tries to be a comedian performing a spot as a female impersonator. 8.35 Taxi (American comedy starring Judd Hirsch). 9.00 News. 9.25 Barry Norman in Celebrity City: A look at the attitudes towards success and failure among the famous and the not quite so famous in Hollywood. 10.15 'Scraples', the novel by Judith Krantz in three parts. 10.30 The Young Doctors. 1.20 Contra News. 3.45 Looks Familiar. 6.00 About Anglia. 7.00 Bygone. 11.30 Euro World. 12.30 am Today Topic. 11.10 The Adventure World of Sir Edmund Hillary. 11.25 Spiderman. 1.20 pm Granada Reports. 2.00 Exchange Flags. 2.30 The Spoils of War. 3.30 The Bass Masters Crown Green Canals. 5.15 Hare Days. 6.00 Granada Reports. 7.00 Emmerdale Farm. 11.30 Van Der Valk.

TELEVISION

Chris Dunkley: Tonight's Choice

Tonight brings one of those clashes which produce merely shrugged shoulders and injured innocence from broadcasting controllers, but which infuriates viewers. At 9.00 ITV offers the second in its series of short story adaptations The Agatha Christie Hour, this one starring Nicholas Clay as the man who visits a friend's house, and sees in a mirror an image of the girl with whom he has just fallen in love, being strangled by a scarred stranger. Last week's opening episode in the series riled less than might have been feared on Thirties trappings and more on acting. Let's hope that continues. Simultaneously, however, BBC2 screens Rodney Bennett's television film The Last Visitor once again an adaptation, this time from a novel by Elizabeth Taylor, set in the early Fifties but again concerning a doomed love affair. Jeremy Brett, briefly back in England from his Hollywood base, takes the central part of Vincent Tumnulty, who falls in love with the figure of a hooded girl beside the sea... which must sound oddly familiar to John Fowles' readers. In the second part of Granada's four-part documentary about a women's prison, Living in Styal, Christine is serving six months for causing a breach of the peace after being arrested for abusing people in the street, has to be told that her father has just died.

BBC 2

- 6.40-7.55 am Open University. 11.00-11.25 Play School. 11.40-11.55 A Fish in a Tank. 12.40 Nyoka and the Tigermen. 1.45 One of the Family. 5.15 News Summary. 6.20 John Ford Season: 'The Horse Soldiers' starring John Wayne. 8.20 One Hundred Great Paintings. 8.30 Top Gear. 9.00 The Last Visitor. 10.30 Shakespeare in Perspective. 10.55-11.45 Newsnight.

LONDON

- 9.30 am Rocket Robin Hood. 9.50 Wild, Wild World of Animals. 10.15 The Nature of Things. 11.10 Barry's Bait. 11.30 Palm Alone with a Laser. 12.30 The Sullivans. 1.00 News with Carol Barnes, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Crown Court. 2.00 After Noon Plus. 2.45 The Spoils of War. 3.45 Father, Dear Father. 4.15 Speedy and Daffy. 4.30 Razzamazz. 4.45 What's Happening. 5.15 Emmerdale Farm. 5.45 News. 6.00 Thames News with Andrew Gardner and Rita Carter. 6.20 Help! Community action with Viv Taylor Gee. 6.30 Crossroads. 6.35 Reporting London. 7.30 Give Us a Clue. 8.00 Never the Twin, starring Donald Sinden and Windsor Davies. 8.30 Benny Hill with Nicholas Parsons, Bob Todd, Barry McGuire and Jack Wyles. 9.00 The Agatha Christie Hour. 9.00 News. 10.30 Living in Styal. 11.30 Darkroom, hosted by James Cagney. Sit Up and Listen with Chain Berman. † Indicates programme in black and white.

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THE ARTS

Cinema/Nigel Andrews

Victorian sculpture vindicated

Art/David Piper

A golden harvest at Venice

For a decade or so I was imagining that the masterpieces of Gibson, Foley, Woolner, Stevens, Watts Thornycroft or Gilbert are likely to be congregated together on such a scale. Mr Read has produced the viable alternative.

Of that G. F. Watts said (of his Clytie, 1868) that he was seeking "flexibility, impression of colour and largeness of character, rather than purity and gravity."

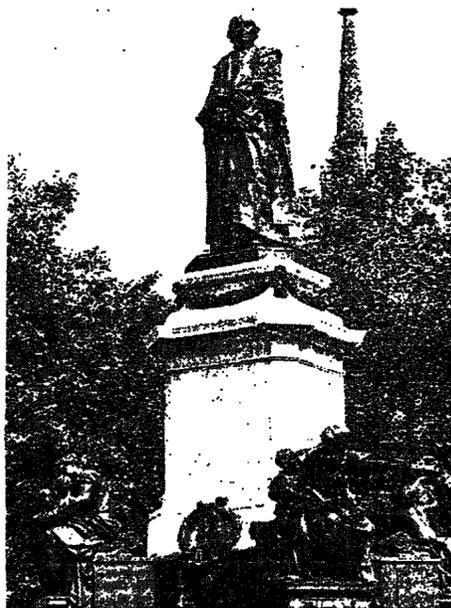
attempt a more qualitative analysis and assessment. This we do now need. Osbert Sitwell's merry devastation of one aspect of the subject, in his People's Album of London Statues was all very well in its time (1928); he suggested a Controller of Inanimate People with powers of life and death over the population, even to the extreme of a holocaust of metal monuments deemed undesirable (in Paris, such a liquidation was indeed carried out by the Nazis between 1940 and 1944).

Mr Read's second chapter—"Here today, and gone tomorrow"—underlines just how important his invaluable and pioneering survey is for anyone interested in Victorian art (and life, and, no less, death). He assesses there the formidable loss of material that has occurred. A great deal of Victorian sculpture existed only in the form of plaster, small or full scale models for the finished products in marble or bronze. The latter inevitably needed heavy capital outlay, depending on well-funded patrons, or their realisation. Even full-blown completed portrait statues could suffer. Albert at Madingley (an unkind site: it was there that he contracted in the flesh his fatal fever) is far from unique. (The most astonishing case cited by Mr Read is the removal of Frempton's stupendous 30 ft high Victoria Memorial from the centre of Leeds to "Woodhouse Moor behind the University" within 30 years of its unveiling in 1905. Dire fate has overcome scores of the marble and bronze regents sent to preside over far corners of the Empire. Holocaust can be seen in the Works Depot at Dublin. Horror stories from the freed territories of the Raj abound. A long cherished (and fulfilled) project to film the monarchs, viceroys, generals and administrators that once held India down almost by sheer weight of marble, before they crumbled. It would have anticipated some qualities of Last Year at Marienbad.

Still, the survivors are undeniably still copious. It is however also true that until the appearance of this book it has been impossible to survey them comprehensively. It may be a practicable proposition to move Henry Moores by the ton to temporary exhibition in Italy or Spain, but it is idle to

Mr Read sets out his terms of reference firmly in his Preface. Though inevitable, his selection, almost by definition, indicates that critical criteria are at work, he indicates that "personal critical opinions," value judgments, are not here his concern. But adds: "It is possible none the less that I have not succeeded entirely in concealing occasional personal sympathies." Nor, in fact, is he unaware of ironies implicit in his subject, nor of the risk of the sublimely monumental teetering on the brink of the ridiculous, as time ruthlessly reveals the vanity to which colossal pomp can prey (see e.g. his treatment of the Eg-leaf). One hopes, however, that with this splendid achievement behind him, he may in due course

The book should open many eyes to the quality of much applied sculpture on Victorian architecture and also to the need to look again at larger scale exercises in subject sculpture other than portraits and church monuments. It is however with a salute to a grand portrait monument that Mr Read closes: the masterpiece of one of the remarkable of the Victorian Sculptors, Sir Hamo Thornycroft, the Gladstone that stands in the Strand outside St Clement Dane's. In this the author justly diagnoses "a fusion of a new sculptural language, in which a richness of formal values released by modelling and translated in bronze, given full-blooded artistic vitality." It is Mr Read again who contributes the introduction to Elfrida Manning's Marble and Bronze: the Art and Life of Hamo Thornycroft (The Folio Books, £14.95, 216pp). The author (surviving daughter, born 1901, of the sculptor who died 1908) does not have found only a charming exercise in family piety, but a detailed, valuable contribution to our knowledge and understanding of the best sculpture is co-sponsored by the Henry Moore Centre at Leeds. Though Thornycroft died breathing malaria on Epstein's Rima, and would not doubt have found unacceptable all the work that since has made British sculpture world famous, his own works now find an honourable and indeed exhilarating place in the mainstream of British art in the perspective of time.



Gladstone

Allegri Quartet/Barbican Hall

Andrew Clements

With the first half of a lunch-time Beethoven cycle under its collective belt in the spring of this year, the Allegri Quartet yesterday began its complement—six recitals in the Barbican Hall over the next two weeks. The series has been organised chronologically, pausing after the Rasumovskys. Thus the second phase opened with Op. 74 in E flat and Op. 95 in F minor, almost a pendant to the five recitals that will present the late quartets, but a stern enough test of the group's competence and musicianship.

A searching examination also of the Barbican suitability for chamber music: a first encounter of a string quartet for this listener in that hall was a surprisingly cool, and from the rear of the stalls somewhat remote experience. The bloom which the hall can impart to much larger string ensembles here seemed entirely absent; for much of the time the Allegri's sound was dry, with more than its fair share of squeaks and bow noises. Problems of intonation were an ever-present

affliction, despite copious tuning, though the sudden blasts of cold air from the air-conditioning system can hardly have helped matters. Such superficial imperfections aside, the Allegri players suggested that they have interpretative ideas aplenty; some of them as yet perhaps insubstantially realised. In Op. 74 stark contrasts of vibrato and vibrato-less tone variegated not only the Adagio, while the Presto was given a Mendelssohnian lightness, whether by design or by virtue of the distancing effect

of the hall was difficult to tell. As it was, it accorded well with a generally lightweight approach, not only in Op. 74 but also in the far more severe movements of the F minor quartet. Here lack of positive, clinching attack was a more profound disadvantage; the music never seemed on the point of disintegration as it can in the less tone variegated movements of the first movement. The result was homely, almost cosy, for all its seriousness and consideration.



Janet Suzman and Anthony Higgins in 'The Draughtsman's Contract'

Celebrating its 50th birthday this year, the Venice Film Festival presented the richest range of films in its recent history. If you joined end-to-end all the distinguished directors here premiering their new movies, they would have stretched right across the lagoon from the Lido (where the festival takes place) to Venice itself. Among the waterlogged autonomy thus extended would be numbered Fassbinder, Losey, Altman; Mazursky, Zanussi, Rohmer and Bellocchio.

The best Italian home-bred entry at Venice was Marco Bellocchio's *The Eyes, The Mouth, The Ears*. It is a masterpiece of heretofore unimagined white-hot comedy-psycho-drama about Italian family life. But his latest is much more than another *enfant terrible* howl against possessive parents and Catholic guilt. It's a film about films, about art as a reflection of the struggle to grow up. Lou Castel, thinly disguised as screen-star "Giovanni" comes home from his brother's funeral and digs for his emotional roots amid his eccentric family (parents Emmauelle Riva and Michel Piccoli), in his childhood memories and in a re-viewing at the local flea-pit of *Fists in the Pocket*. He also pours out flagrantly autobiographical Castel confessions to his brother's ex-girlfriend (Angela Molina): about a film career on the sids, and a charisma locked up forever in the bygone rebellious '60s. The movie's meaning is in its title: its power in the search to unite the understanding and the

Janet Suzman and master-draughtsman Anthony Higgins dicker over set, life, art and the 12 drawings he is making for her of her house. (In return for 12 amorous favours). But as the long Restoration day wears on—and a superfluous and convoluted murder-plot is introduced—the film seems dark, runic, and as top-heavy with talk as the characters with their steeping wigs. Joseph Losey, by contrast, burns marvellously bright in *La Truite*. Realising a long-cherished project of filming Roger Vailland's novel of multi-character sexual intrigue, he guides a top cast through their global games of amorous musical chairs. From the Jura to Paris to Tokyo, Isabelle Huppert, Jeanne Moreau, Jean-Pierre Cassel, Daniel Olbrychski and others praise their permutations. It's like *La Route* with extra wit, very sharp teeth and a sting in the tail. Glimmers of great vitality flashed through films from European countries as diverse as Russia, Greece, Portugal and

violence is brilliantly detailed. The full-length movie is opening in Paris later this year. London, please follow suit. London will probably be far less hesitant in summing Krzysztof Zanussi's *Imperative*, Paul Mazursky's *Tempest* and Robert Altman's *Come Back to the Five and Dime, Jimmy Dean*. Each director has a well-earned passport-to-travel, though none of these films comes high in its maker's canon. *Imperative* made in West Germany, gangs gang and stricken Robert Powell before us as a Dostoevskian loner ranting about free will and causing havoc to all (including girlfriend Brigitte Fossey) who cross his existential path. Extreme wordiness combines with appalling drubbing to smite the eardrums something terrible. Altman's screen version of a time-hopping Broadway comedy-allegory by Ed Grawley is strictly in the filmed-play category—though with a spitfire lead performance from Sandy Dennis—and Mazursky's *Tempest* leads a crack cast, including John Cassavetes, Gene Rowlands and Susan Sarandon, into a whimsical and too-windy modernisation of Shakespeare's play, shuttling between Manhattan (=Milan) and a Greek island (=the vexed Bermoothes).

Fassbinder paints carnal and Christian love not as opposites but as parallels

Like all Fassbinder's best films, it's a baroque heated dance of mirrors, mirror-images and sudden stylistic eclats: truth stung out from the protagonist's awakening from narcissism into a world where pain and communion are one. Fassbinder paints carnal and Christian love not as opposites but as parallels (there's a pass-through Calvary pageant to underscore the point), and the movie's style is as daring as its content. Dialogue, soliloquy, voice-off narration, chorale music all fugally intertwine on the soundtrack while the visuals

feelings in an age of instant culture and audio-visual overkill—the family tale is on 24-hour flicker for the grand-children—in which a seething love and death, and with Franco Nero (his adoring Captain), Jeanne Moreau (café chanteuse) and two smokily look-alike alter egos; a brother and a fugitive murderer.

Britain. El Climov's *Agonia* from the USSR, with its cut-up style and thunderous surrealism, painting Rasputin; the dark genie of Tsarist Russia; the Portuguese *The Stranger*, a limpid whirlpool of time and memory; the Greek *The Dem*, where piquant dashes of animation are mixed into the sombre folklore plot; and Barney Platts-Mills's *Hero From the East*, which is a Giallo-police slice of weirdly costumed legend resembling a cross between Fasolini and Monty Python.

Far less likely visitors to Britain are Chantal Akerman's *Touche Une Nuit* (Belgium) and Percy Adlon's *Five Last Days* (West Germany). But with luck some kindly wind should wack them thither. Ms Akerman has hatched the brilliant idea of a near-abstract, near-wordless film interweaving myriad stories of people interlocking in the night. It's more like a series of animated paintings than a movie: girl waiting for lover in bar, couple snatching an embrace under the suburban trees, husband husband walking out on wife with midnight suitcase—all nameless, mercurial presences bound together in a sense of motion, melancholy and refusal night-black comedy. Percy Adlon, who made the slow-to-painful *Celeste* about life with Proust, bends his elegant style to far more resonant material in *Five Last Days*. A German girl's imprisonment by the Nazis in 1943 (for working for a student resistance movement); the relationship pained, because finite, friendship she strikes up with her wardens; the approaching kneel of execution; the stoicism of the girl and the dreadful, grey kindness of her interrogators.

Wim Wenders's *The State of Things*, made in Portugal after his epic harassments with *Hammlet*, is so attenuated a movie that if you turned it sideways you'd hardly be able to see it: the tale of a filmmaking crew left high and dry on the Estoril when money and film-stock run out. Wenders usually adores an action vacuum—for the soul-searching human truths that promptly rush into it—but here the void remains a void, the immobility cinematic as well as spiritual.

Peter Greenaway, Britain's Nabob of the non-sequitur (cf *The Falls*), gave us his first quasi-mainstream feature film, *The Draughtsman's Contract*. This poked-frolic, set in the 1690s, rides high for an hour as stately-home owner

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THEATRES

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A plan for the Falklands

IN THE course of the war over the Falkland Islands this year the British Government demonstrated that it was prepared to sustain appreciable losses in men, money and equipment in order to repel an Argentine invasion of territories to which it felt Britain had a solid right and to restore a British way of life to a small community which wanted no truck with Argentina.

Now that the operation has been successfully completed the time has come to take stock of the prospects for the 1,800 islanders and chart a future economic course for them. The report commissioned by the Prime Minister from a team of experts led by Lord Shackleton which was published yesterday has underlined the fact that the future holds out the possibility of solid prosperity for a small community based on the very considerable natural resources of the region.

Reinvestment
Lord Shackleton's latest document, like the report he submitted to the government in 1976, makes the point forcefully that for years the Falkland Islands and their Dependencies were far from being a drain on British finances but were themselves being drained of capital through the remittance of profits to the metropolis by absentee landlords who owned the bulk of usable land.

Trusteeship
There is consequently every interest for a British Government to restate what will clearly be a long search for some sort of *modus vivendi* with Argentina, a process in which the idea of some sort of UN trusteeship for the Falklands and their Dependencies should not be discarded.

Strengthening
He goes on to recommend a strengthening of the machinery of government in the territories to provide new facilities for defence purposes, totals some £75m.

Development
The expenditure of such a sum on a community of less than 2,000 people. Lord Shackleton warns, will be fruitful only insofar as the Falklanders themselves seize the opportunity.

Government
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ties now being offered to them for the first time. From the government's point of view there can be little alternative to expending this money in the expectation that the Falklanders will opt to stay on their war-torn islands and show more initiative and enterprise on their own account than they have hitherto done for distant landlords or anonymous London-based companies.

It has also been argued that if the UK does not maintain its interest in the south-west Atlantic it will be in a weaker position to claim a share of the potential riches of Antarctica whenever they are finally unlocked. But it is important to distinguish the putative value of the Falklands in the context of the development of Antarctica from the economic future of the islands themselves.

Throughout Lord Shackleton's report, as in his earlier one, runs the argument that the future of the Falklands and their Dependencies will be considerably more difficult without some co-operation from Argentina. Exploitation of the area's hydrocarbon resources would be impossible without it and if Argentina chose to be obstructive in the matter of air communications the islands' outlook could be bleak.

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ON the sixth working day of every month, Owens-Illinois, 98th in the Fortune 500 and the largest manufacturer of packaging in the world closes its books.

Four days later, Mr Robert Lanigan, the President of Operations and his immediate aides gather in the corporate "war room" of this diversified \$424 million corporation, 16 floors above the busy streets of downtown Toledo to analyse progress in preparation for the major corporate review involving 40 or so managers a few days later.

Their options are spelled out with brutal clarity. The end wall of the vast room is dominated by a huge back projection screen on which up to eight full colour graphs can be projected simultaneously.

Corporate "war rooms" complete with sophisticated equipment of a kind seen only in the operations rooms of defence establishments are fashionable and common enough in the top U.S. companies right now; what makes the Owens review meetings special is not only the quality of the information available but the extraordinary ease with which it can be accessed.

Despite its size, the geographical distribution of its constituent companies and the fact that the books were closed only days before, the company performance graphs are bang up to date.

In his wood-paneled office at the top of the Owens skyscraper, Mr Jerome Bohland, vice-president, finance, has access to the same up-to-date information every day of the week.

He uses what appears to be a splendid, teak-cased colour television at the side of his desk. It is a television but the wood casing camouflages complex electronics which enable it to display information directly from a computer.

There are a lot of colour display screens at Owens. An elite group including the chairman and president have the wood-cased variety. The others are more utilitarian, as just as they left the IBM factory.

Some 4,000 miles east, at the top of Britannic House, British Petroleum's impressive headquarters in the City of London, Mr Basil Butler, managing director of BP Exploration has an identical IBM colour display screen at the side of his desk.

The screen is not wood-cased but it is equipped with a programming keyboard but Mr Butler uses it to move over the same kind of timely information available to Mr Bohland.

A few keystrokes, and he is able to choose between, for example, the morning headlines, inflation and exchange rate forecasts, the position of BP Coal or Alaskan production developments.

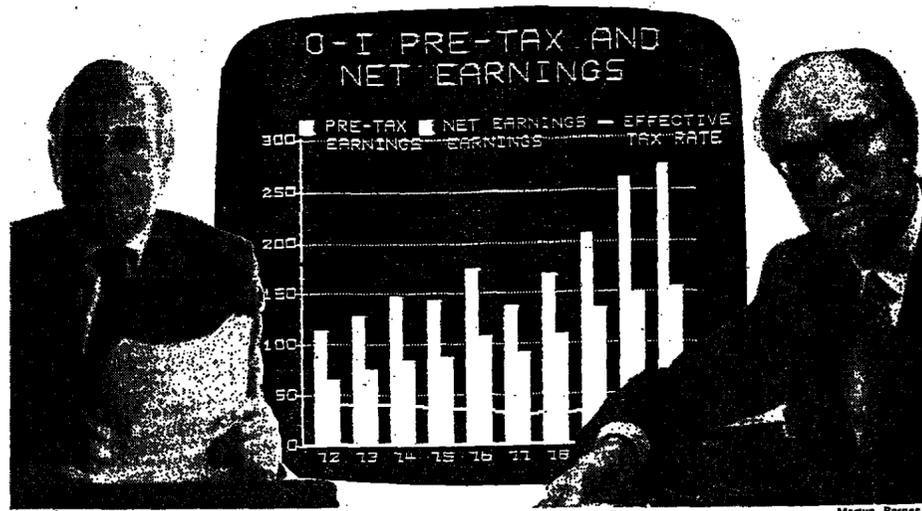
He can see drilling reports from each of his wells worldwide; a few strokes of the light pen—a pencil sized instrument which enables the user to select items from a menu on the display screen—and he is able to tell that drilling at Tiba Papi 1 in Malaysia in a day behind schedule but that crisis are on target. The information is presented as full

colour graphs and is as up to date as the morning's telex output.

BP now has over 30 display screens in Britannic House, used by some 130 people of whom the most senior is Mr Roger Bexon, a main board director and BP group managing director.

Owens-Illinois and BP are leaders in a movement which is rapidly gaining momentum, especially in the U.S., and which promises to help solve two of the most intractable problems of modern management.

Both are directly the consequence of the massively increased use of computers to store and manage all the information a company collects about itself and its competitors.



Mr Basil Butler of BP (left) and Mr Jerome Bohland of Owens-Illinois (right). Both have the latest electronic systems in their offices.

He recalls his early discussions with Comshare with amusement. "It could never be too easy, I decided. So I told them 'No passwords'." (Passwords, known only to the user and changed frequently, are the conventional way of denying access to an unauthorised computer user.)

"They said: 'But we always have passwords.' I told them 'No keyboards.' They said: 'Must be of advantage.'"

But as computers were the miracle machines that would revolutionise business efficiency, why was there an information problem at all?

Well, as any senior manager knows, getting data into a computer is one thing; getting it out quickly and in a usable form quite another.

Managers worldwide are exasperated and frustrated by their inability to get fast information from their computer installations. It is not the data processing manager's fault. In the 1960s and 1970s all the ingenuity and expertise went into getting company information onto the computer. There was simply neither time, nor ingenuity nor the technology left over to work on slick methods of retrieval.

So faced with the prospect of waiting weeks or months for a particular set of reports, companies are relying once again on manual methods—telephoning for sets of figures and collating them by hand.

Owens set out to build a management reporting system to give its corporate management "more timely information of greater operating significance."

It looked at what its competitors, Eaton, ITT and Marathon among them, were doing and decided to go its own way.

In the UK, the BP innovation, now known as the Natural Resources System, was set up at the personal instigation of Mr Jack Birks, a group managing director who retired in March this year.

He wanted something which could handle all the information which managers needed to follow the day to day progress of BP's oil and gas exploration around the world—and he wanted it in a little over six months. He got both.

Owens and BP were helped in their endeavour by an unprecedented change of heart by IBM, eighth largest U.S. industrial corporation and supplier of more than 60 per cent of the world's large computers.

After years of emphasising the importance of the data processing installation as the centre of the company's information activities with the data processing manager as information king, IBM two years ago suddenly started to recommend the establishment of Information Centres—small powerful computers separate from the central installation and dedicated to providing the kind of information to executives that had proved so hard to extract from the central site.

Simultaneously, there was the "Great Armonk Love-In," a meeting at IBM's New York headquarters where IBM suddenly offered help and encouragement to companies producing computer software, rather than antipathy and competition.

Comshare, in fact, won the Owens contract in direct competition with IBM but used a small IBM computer and IBM colour terminals. BP created its own system on IBM hardware, but with the assistance of specialised IBM programmes for graph creation.

The Owens approach uses a smart Comshare graph drawing

machine called "Execchart." Graphs, tables and charts can be created quickly in full colour with little skill. These are stored in the memory of the IBM computer. At predetermined times, the computer telephones its sources of information—say, Dow Jones, AP or the company's own accounts file and automatically brings the charts up to date.

Some users are more equal than others. The most senior executives have word-framed screens, switch them on with a personal key and select graphs using a hand-held radio transmitter. The others have ordinary grey terminals, run a card through a card reader to turn them on and light pens to select items from the screen menu.

The reluctance of chief and senior executives to use devices like keyboards associated either with computer technicians or secretaries was a major hurdle. Craig Barrow rejected voice recognition, fingerprint recognition, code words and code numbers before settling on magnetic cards.

How do, senior managers react to this new-fangled approach? Mr Lee Sprague, controller of Owens' Kimble division, is both enthusiast and critic.

A laconic, internationally experienced manager, he argues: "It will never pay for itself until we make it of use to the people out there on the floor," meaning his vice-presidents for marketing, finance and the like.

"I use it to keep myself refreshed and I pinpoint problems I want to talk to people about. It is a complete replacement for 'The Book'."

This is the Kimble Performance Book, 40 pages of hard business statistics updated monthly and which formed Mr Sprague's personal decision support system.

"I don't think you could put in a textbook all some of us have learned in the past three months."

Mr Bishop of BP agrees: "I was mildly interested but sceptical when it was first proposed. It hasn't eliminated paper from my office but I sometimes wonder how we ever lived without it."

Owens and BP have each invested about £500,000 in their systems and both are quick to point out they have only started. Better automatic transfer of information into the system is one goal, modelling facilities enabling executives to ask "What if?" questions is another.

Neither system holds out any promise of senior executives doing their own computing but they do illustrate how they can make use of computer based information and perhaps that is competition.

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Comshare's "Wizard" and other decision support systems will be examined in greater detail on the Technology page later this week.

Managers worldwide are exasperated and frustrated by their inability to get fast information from their computer installations. It is not the data processing manager's fault. In the 1960s and 1970s all the ingenuity and expertise went into getting company information onto the computer. There was simply neither time, nor ingenuity nor the technology left over to work on slick methods of retrieval.

So faced with the prospect of waiting weeks or months for a particular set of reports, companies are relying once again on manual methods—telephoning for sets of figures and collating them by hand.

Owens set out to build a management reporting system to give its corporate management "more timely information of greater operating significance."

It looked at what its competitors, Eaton, ITT and Marathon among them, were doing and decided to go its own way.

In the UK, the BP innovation, now known as the Natural Resources System, was set up at the personal instigation of Mr Jack Birks, a group managing director who retired in March this year.

He wanted something which could handle all the information which managers needed to follow the day to day progress of BP's oil and gas exploration around the world—and he wanted it in a little over six months. He got both.

Owens and BP were helped in their endeavour by an unprecedented change of heart by IBM, eighth largest U.S. industrial corporation and supplier of more than 60 per cent of the world's large computers.

After years of emphasising the importance of the data processing installation as the centre of the company's information activities with the data processing manager as information king, IBM two years ago suddenly started to recommend the establishment of Information Centres—small powerful computers separate from the central installation and dedicated to providing the kind of information to executives that had proved so hard to extract from the central site.

Simultaneously, there was the "Great Armonk Love-In," a meeting at IBM's New York headquarters where IBM suddenly offered help and encouragement to companies producing computer software, rather than antipathy and competition.

Comshare, in fact, won the Owens contract in direct competition with IBM but used a small IBM computer and IBM colour terminals. BP created its own system on IBM hardware, but with the assistance of specialised IBM programmes for graph creation.

The Owens approach uses a smart Comshare graph drawing

machine called "Execchart." Graphs, tables and charts can be created quickly in full colour with little skill. These are stored in the memory of the IBM computer. At predetermined times, the computer telephones its sources of information—say, Dow Jones, AP or the company's own accounts file and automatically brings the charts up to date.

Some users are more equal than others. The most senior executives have word-framed screens, switch them on with a personal key and select graphs using a hand-held radio transmitter. The others have ordinary grey terminals, run a card through a card reader to turn them on and light pens to select items from the screen menu.

The reluctance of chief and senior executives to use devices like keyboards associated either with computer technicians or secretaries was a major hurdle. Craig Barrow rejected voice recognition, fingerprint recognition, code words and code numbers before settling on magnetic cards.

How do, senior managers react to this new-fangled approach? Mr Lee Sprague, controller of Owens' Kimble division, is both enthusiast and critic.

A laconic, internationally experienced manager, he argues: "It will never pay for itself until we make it of use to the people out there on the floor," meaning his vice-presidents for marketing, finance and the like.

"I use it to keep myself refreshed and I pinpoint problems I want to talk to people about. It is a complete replacement for 'The Book'."

This is the Kimble Performance Book, 40 pages of hard business statistics updated monthly and which formed Mr Sprague's personal decision support system.

"I don't think you could put in a textbook all some of us have learned in the past three months."

Mr Bishop of BP agrees: "I was mildly interested but sceptical when it was first proposed. It hasn't eliminated paper from my office but I sometimes wonder how we ever lived without it."

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The idea is not to replace managerial judgment but to assist decision-making

How will they type in their passwords without a keyboard? ... What Owens and BP have now built are called in management information jargon "decision support systems." The idea is not to replace managerial judgment but to assist the decision making process; to improve the effectiveness of decision making rather than the efficiency.

It's hardly a new concept. Information on tap for those at the top has always been a legitimate aim of management information departments.

Mr David Hanson, director of management reporting and cost services at Owens-Illinois, is in no doubt about the value of the new approach: "The quality of a manager's decisions depends on experience and the quality of the information available to him. Experience we can do nothing about; anything we can do to improve the quality and timeliness of the information

might then learn a little geography." ... Nor could he understand the preoccupation with the Falklands' weather. "It never has been as cold as it was in Bournemouth last winter... but anyone would hesitate to go camping. It is a chilly place."

The best of his traveller's tales, however, is one from his mission for Sir Harold Wilson to southern Arabia in 1967. After a long and hazardous journey into the wilds, he was called upon to speak to a gathering of fiercely armed tribesmen.

Shackleton wondered nervously how to approach the task. "Then I decided. And I spoke no more as if they were members of the Preston and District Trades Council."

The latest journal of the American Medical Association says that cases have been discovered in which men about to be married get increasingly obsessed with the game as the fateful day approaches.

One man took his fiancée on dates just to watch him play. Another put off his honeymoon for a full hour "just to get in a few more games," the journal reports.

Researchers from Duke University in North Carolina concluded that the space invaders craze helped a man to "handle his anger over the recent commitment to marriage." The destruction of invading aliens trying to overrun "home base" took on symbolic significance, they said.

"In addition, because the

Competition in public tenders

GIVEN THE depth of the present recession it was inevitable that news of a major British Government computer contract going to a supplier other than ICL should cause a stir, particularly after the Government had provided £200m of guarantees to keep the company afloat last year.

But if ICL had appeared alongside International Business Machines and Honeywell on the shortlist to supply new computers for the Department of Transport's Driver Vehicle Licensing Centre in Swansea and then walked off with the contract the outcome would have been quite as controversial.

As a member of the EEC and a signatory of the GATT code on government procurement Britain is obliged not to discriminate against foreign bidders for government contracts. Both IBM and Burroughs have recently demonstrated their determination to publicise any bending of the rules by going to court over recent decisions by the Severn Trent Water Authority and Oxford Regional Health Authority to award contracts to ICL. In neither case did they succeed.

Urgent need
The facts of the case, however, are that ICL does not have a suitable machine in its product range for the Vehicle Licensing Centre in Swansea. It hopes to have one—the new Estriel computer now being developed—some two years after the Department of Transport actually requires it. But since the computers were urgently needed the government indicated to ICL that there was little point in tendering.

The various special interests involved will no doubt argue that the government should have indulged in a little French-style juggling with the rules; a delay, ostensibly on public expenditure grounds, for example, which would have allowed ICL to emerge at a later date as a more serious bidder.

But even assuming that the ageing computers in Swansea had been capable of serving well beyond their normal life expectancy, the arguments for keeping ICL in play would be weak. The traditional case for

infant industry protection is that if the native industrialists are given a chance to learn the trade, they will soon beat the foreigners at their own game.

The past history of ICL is arguably of the more telling refutations of this argument.

The more up-to-date argument is that there is no point opening up public purchasing to foreigners who are busy bending the rules in favour of their own domestic suppliers. There is more sense in this. But the fact remains that the world has not gone as far down the protectionist slope as any rational forecaster might have expected in the wake of the 1973 oil crisis.

It is particularly noteworthy, for example, that the Socialist government under President Mitterand in France has confronted the problems of a declining franc exchange rate not by introducing the whole apparatus of a siege economy as might have been feared, but by domestic measures designed to curb wages, prices and the public sector deficit. Despite all the talk of winning back the internal market, the French have been reluctant to embark on policies that involve flagrant breaches of their international obligations. The rules are more subtle, but not to the point of outrage.

Concern
The irony of it all is that the computer that ICL was hoping to sell to the Government is a joint development with Fujitsu of Japan. It seems probable that the Government will continue to find ways of backing ICL that do not contradict the letter of GATT rules.

What started as a preoccupation with the "technological gap" between Europe and the United States in the 1960s has now turned into a concern not to miss out on information technologies in which the Japanese look like grabbing a large chunk of the world market.

Whatever its imperfections the agreement on Government procurement that came out of the Tokyo Round of multilateral trade negotiations was a useful step towards reducing non-tariff restrictions on trade. Far better to build on it than bend the rules to no real purpose.

Men & Matters

Reward for industry

On November 1, between the prorogation of Parliament and the opening of the new session with the Queen's Speech, there will be a lemming-like rush of MPs to the seaside.

On arrival at Eastbourne, however, they are expected to resist instincts to throw themselves into the sea and repair instead to the Confederation of British Industry's annual conference.

Five previous seaside get-togethers held by the captains of industry attracted, at best, a score of curious MPs. This year, in contrast, about 70 have accepted an open invitation so far. About two-thirds are Conservatives (wets, dries and damps). But a sprinkling of SDPs, liberals, one independent, and no fewer than 14 Labour members also think the excursion will be worthwhile.

What mysterious force is driving so many MPs south? The answer seems to lie in the political convulsions released since the CBI adopted a high profile in its summer campaign for some refutation of the economy's preferred way to help manufacturing industry.

The row between the CBI and the Government has waxed impressive since the CBI started leaking horror trailers of its gloomy quarterly trends survey before publication in August. Now it seems to be dying down. Sir Geoffrey Howe actually rang Sir Terence Beckett, director general of the CBI, from Canada last week in a bid to restore chumminess.

What a number of MPs are making of all this is that the CBI has become active politically, at least for the moment. Thus, it may be almost as politically rewarding to be seen in the company of one of the Eastbourners as at one's party conference.

Lord of the isles

In another age, Lord Shackleton—whose up-dated report on the development of the Falklands was published yesterday—would surely have become as famous an explorer as his father Sir Ernest Shackleton.

The 71-year-old Labour peer and deputy chairman of RTZ joined expeditions to Borneo and the Canadian Arctic while still at Oxford in the 1930s.

He travelled extensively in America and Europe—but then came the war, RAF intelligence and a career in politics. Trained in political tactics as parliamentary private secretary to Herbert Morrison during the years as an MP for Preston from 1946-55, Shackleton became probably the shrewdest Labour politician ever to lead the Lords.

But throughout his life, Shackleton has retained a fascination for remote places and a born explorer's matter-of-fact ability to handle unfamiliar peoples.

He was flown secretly from the Brazilian coast by helicopter to a ship in 1976 to make his survey of the Falklands—"islands surrounded almost entirely by advice."

Such trips make him impatient with the geographical ignorance of others. The Cabinet, he suggested, should be flown to South Georgia sometime for a meeting. "They, too,

Plugged in

At last, a good word for space invaders. The video games may be banned as a social evil from Indonesia, the Philippines and, perhaps soon, from Malaysia.

But in the United States, medical researchers say the games are helping to make happier marriages.

The latest journal of the American Medical Association says that cases have been discovered in which men about to be married get increasingly obsessed with the game as the fateful day approaches.

One man took his fiancée on dates just to watch him play. Another put off his honeymoon for a full hour "just to get in a few more games," the journal reports.

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"In addition, because the

Sinking fund

Bankers, sweating out the Mexican debt crisis, will be pleased to know that the Mexican Government has started a fund to get the world's largest debtor out of hock and also pay for the nationalisation of the private banks.

Voluntary contributions to the fund so far total 30m pesos which at 70 pesos per dollar leaves a few billions more to find yet to meet the \$6bn of debts and the uncalculated cost of compensating shareholders in the banks.

Anybody wishing to help out can mail a cheque to the "National Solidarity Fund" and the Bank of Mexico, the central bank.

At the same time, the Government says it has been discreetly approached by some "patriotic" citizens wishing to repatriate the money they took out of Mexico before full exchange controls were imposed.

President Jose Lopez Portillo recently implied that those people who had fled Mexico of hard currency reserves by depositing \$14bn in U.S. bank accounts and buying real estate worth \$25bn might find the tax man on their backs if they did not return the money to bail out the nation.

Run down

Two retired British businessmen have established a charitable organisation called "Joggers Anonymous." Anyone who feels a pressing need for exercise can phone in and the staff will talk him out of it.

1982 and many British Companies are still in the dark about Luncheon Vouchers

Technology changes. People's needs don't. A midday meal is as vital today as it was 35 years ago—when luncheon vouchers were first introduced. Since then, 35,000 companies have realised that LV's are as beneficial to them as to their work force. They tell staff daily that the company values them. They're cheaper to install than a staff canteen and far easier to run. They ensure that staff get the energy they need to work well throughout the day. And remember the tax advantages. Find out how the Luncheon Voucher scheme can work for you and your staff. Don't stay in the dark—send for the brochure today.

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Observer

The man most in line to replace Chancellor Schmidt

Helmut Kohl: the waiting may soon be over

By Jonathan Carr in Bonn

COULD IT be that the West German Government, currently headed by an outstandingly capable Chancellor, Helmut Schmidt, is about to pass into the hands of a provincial buffoon? You might well be led to think so by much of the comment over the last decade or so about Dr Helmut Kohl, head of the Christian Democratic Union (CDU) opposition party and the man most in line for Herr Schmidt's job.

If criticism could kill, Dr Kohl, 52, would long since have been dead—impaled with innumerable barbs not just from his formal political opponents but from his own ranks too. It is not surprising that Herr Schmidt, 63, should attack Dr Kohl. After all, that is part of his job—and one the Chancellor relishes if the intensity of his jibes is anything to go by. But it is truly astonishing how often Dr Kohl has been ridiculed by "colleagues" both in the CDU and in its respective sister party the Bavarian Christian Social Union (CSU).

When Dr Kohl gained the top job in 1973, there were already many in the Union whispering behind his hand that he was an "interim solution" to tide the party over a difficult period. It was claimed that the big (6 feet 4 inches tall), genial Prime Minister of the wine growing state of Rhineland Palatinate would "do" until the real leader emerged to carry the Union back to the government office it lost in 1969. True, it was said, Dr Kohl was a good "team man"—but even this apparent praise carried the suggestion that there was someone who lacked colour, brilliance, dynamic personal initiative.

The CSU leader, Herr Franz Josef Strauss, 66, seemed to have all three of those qualities in over-abundance—and, in contrast to Dr Kohl, he had long years of national ministerial experience behind him. Little wonder, therefore, that in addition to his CDU rivals, Dr Kohl also faced a threat from this CSU fireball, which hurtled erratically towards the top job in Bonn burning up opposition on the way.

All his reasons several big questions. If Dr Kohl really

is a bumbling, mediocre character—as his critics claim—how is it that he has stayed at the top of the CDU for nearly 10 years? How did he manage to add—and retain—the job of Union parliamentary floor leader to his positions as CDU national chairman? Where are all those CDU rivals who were waiting in the wings? The answer must be either that they are really still less effective than Dr Kohl is claimed to be. That is hard to believe. Or it may be that Dr Kohl has strengths which have been widely underestimated—which is much more likely.

The last one, one says is that Dr Kohl has remarkable political stamina—and, apparently—a very thick skin. He has shaken off countless insults and setbacks with a rueful smile and striking lack of concern. Like Gulliver, he has attacked from the Lilliputian army.

He fought the 1976 general election as Union candidate for the Chancellorship against Herr Strauss, and gained 48.6 per cent of the vote. It is hard to see that any other CDU leader would have done better. Four years later Herr Strauss finally chosen as Union Chancellor candidate despite CDU reservations, won only 44.5 per cent. It is fashionable to say that Herr Strauss, despite his brilliance, was a divisive force in the Union and had north Germans against him because he was a Bavarian.

Electoral support countrywide

There is a lot in that. But then it is also fair to note that Herr Strauss's weaknesses are Helmut Kohl's strengths. As a Rhineland, Dr Kohl stands a better chance of gaining electoral support countrywide (how ever unfair that must seem to the Bavarians). And his calm, solid demeanour, by definition unexciting, seems to have a more durable impact on voters fascinated by Herr Strauss's oratorical fireworks, but a bit mistrustful, too. Many people clearly, instinctively feel that Dr Kohl is a man to be trusted, the sort of person you could matter with about your problems over a glass of wine, with-

out being lectured at, or blinded by statistics.

True, he may well talk about the country needing "a new start" implying that people have got too used to sponging on the state, and must now recognise they have duties as well as rights. But he will leave all that with quite a lot of jokes, several told against himself. Besides, quite a lot of people are ready to admit that with low economic growth some social benefits must be pruned—so long as the changes are not apocalyptic. And who, observing Dr Kohl, could possibly believe that a government led by him would be apocalyptic about anything?

National political hothouse

These personal qualities, which can and do make their mark with ordinary people in a fairly small group, tended to work against Dr Kohl in Bonn, a national political hothouse where few normal people are to be found.

In his Bundestag speeches he retains mannerisms which tell against his image and of which, for a national politician, he seems almost endearingly unaware. He often blinks hard and stares upward as though startled by some brightly shining flying object, thus distracting attention from what he is saying. And all too often the television cameras catch him roaring with laughter on the opposition benches, as though parliamentary business is one huge joke.

Chancellor Schmidt uses the Bundestag and its opportunities for self-projection much more cleverly. He is often to be seen at his post, sternly and methodically working his way through official papers—with just one ear cocked on the debate. When the time comes to speak, his comments are razor-sharp, sifting Dr Kohl's arguments to tatters with an almost contemptuous ease.

Yet even here there seems to have been a change of late. The duel between the two men, who are doing a better job than most in running a tough city. But a questionmark remains.

even. Herr Schmidt's barbed remarks have begun to sound a little desperate, as though telling more about his own condition than about the intended victim. And Dr Kohl has gained somewhat more authority, perhaps because he feels that at long last—after all the setbacks and insults—the prize of the Chancellorship is virtually within his grasp.

But is it? There are still plenty of people in Bonn, and in the CDU itself, who continue to reject the idea. They suggest that if Herr Schmidt's Social Democrat (SPD)-Liberal Free Democrat (FDP) coalition staggers into 1983 then Dr Kohl will be in deep trouble. His critics will claim that had Dr Kohl been a more effective opposition leader, then he would have taken advantage of the coalition's weak condition to strike a death blow. Hence, according to this argument, the hunt will be on for an alternative Chancellor-candidate to Dr Kohl in the run-up to the next general election in Autumn, 1984.

Top of the list as a rival to Dr Kohl would almost certainly be Dr Gerhard Stoltenberg, 53, Prime Minister of the northernmost state of Schleswig-Holstein. He is an expert economist with a statesmanlike manner, whose criticisms of government policy often seem to be made more in sorrow than anger. But the very understatement of this "cool, clear Northerner" could tell against him in an election campaign—just the opposite of the problem Herr Strauss suffered.

Another clear possibility would be the "noble and silver" Dr Richard von Weizsäcker, 62, CDU Governing Mayor of West Berlin. He has an almost unequalled reputation—cutting right across party lines—as a man of outstanding uprightness and intellectual ability. But this broad approval has its dangers too. He would clearly be an ideal Federal President—but could he survive the cut and thrust of the exceptionally bitter battle to become Chancellor? Perhaps so—since he is doing a better job than most in running a tough city. But a questionmark remains.



Helmut Kohl: remarkable political stamina

The problems of a Chancellor candidacy by Dr Ernst Albrecht, 52, Prime Minister of Lower Saxony, are of a quite different—almost opposite—kind. Dr Albrecht has a reputation as a "clever" politician—for which the words "smart" or "tricky" are sometimes substituted. He briefly emerged as the possible Union candidate in the run-up to the 1980 general election, but stepped back smartly when Herr Strauss appeared on the scene, firing on all cylinders. Was it a clever tactical withdrawal, or a sign of weakness under pressure? A questionmark hangs over Dr Albrecht too.

The list could easily be extended. That fact alone shows that the Union parties have plenty of talent and no lack of ministerial material. The problem would rather be—who

to leave out of the cabinet. But there is no sign of a rival who combines political and personal qualities in such a way as to make him a clear alternative to Dr Kohl as Chancellor. Even those who accept this, often claim that Herr Strauss would really be the power behind the throne, and quote a remark by the Bavarian leader to the effect that "I don't care who is Chancellor under me."

All that seems to leave Dr Kohl still aged only 52, wholly unperturbed. He has, after all, heard it all before. He sees before him a crumbling government coalition, he knows the Union is given well over 50 per cent of the national vote in opinion polls—and he believes he is going to be Chancellor. He has certainly waited a long time.

Lombard In defence of the amateur

By Geoffrey Owen

IN PRINCIPLE the distinction between amateur and professional sportsmen is clear. In one case sport is an enjoyable diversion from work. In the other sport is work. In practice things are not quite so simple. Some so-called amateurs devote themselves virtually full-time to their sport. Some are said to receive under-the-counter payments for their appearances. These commercial pressures are especially strong in sports like rugby football and athletics which enjoy large attendances and/or TV audiences; they are attractive markets for suppliers of equipment and clothing and for companies which wish to use the sport (and its leading players) as the vehicles for advertising.

This is the "shamateur" problem which reached a ludicrous stage in lawn tennis a few years ago—until Wimbledon cut the Gordian knot by opening the tournament to genuine professionals; since then the financial rewards for top players have greatly increased, and so has the number of lesser players who can make an honest living out of the game.

Should rugby football and athletics do the same? Peter Sloane argues in the *Journal of Economic Affairs* that undiluted amateurism cannot survive in modern sports where spectators are prepared to pay to watch and television companies to provide large contracts for the screening of matches. "The organisers of 'amateur sports,'" says Sloane, "should either concede that they are quasi-professional sports and abolish the distinction between amateurism and professionalism, as has already occurred in some sports such as badminton and bowls, or accept the logic of their convictions and operate as spectator sports."

Sloane says the failure to allow appropriate rewards for leading athletes amounts to exploitation—the payment to "employees" of incomes below the value of their contribution to output. To compete at the highest levels in these sports requires a major input of time and effort which might otherwise go into the furtherance of a career. "Exposure in the

media means also that such athletes are very valuable factors of production for advertisers." If someone wants to make a living out of rugby football or athletics, they should be free to do so.

The argument seems plausible, but there are grounds for doubting whether a market solution is appropriate in this case. The danger is that, in embracing professionalism, the sports authorities will be losing more than they gain. The organisation of the sport will become increasingly geared to the needs of the professionals and commercial enterprises; its original *raison d'être*—to provide a form of recreation and physical exercise—will be lost.

The values associated with professional sport are not those of an amateur sport. The objective is to make money, not simply to play a game. This can affect rules (which may be altered to suit the sponsor) and standards of behaviour. Amateurs like to win, but professionals need to win and some of them are not too scrupulous about how they win.

It is possible for professional and amateur sport to flourish side by side, as in golf, but that is not an argument for blurring the distinction. Sports authorities have to ask themselves what their role is: to produce world champions or to encourage the widest possible participation in the game, at all levels of performance?

The pressures of commercialism and nationalism put the stress on world champions, and hence on encouraging talented young players to devote their lives to the sport, instead of regarding it as an enjoyable sideline. But the sporting health of a nation depends, not on how many world champions it produces, but on how many people participate in sport as a recreation. Of course, one may lead to the other, but the first priority is to ensure that amateur sport is in good shape; the production of world champions can safely be left to the market.

July issue, published by Institute of Economic Affairs, 2, Lord North Street, SW1.

Letters to the Editor

Poor taxation legislation—Parliament is responsible

From Mr B. Sabine.
Sir—I apologise for troubling your columns again but Mr Nelson (September 7) raises a matter of great importance, which to a certain extent echoes Mr Harper's letter to which I replied in your September 1 issue. This time, however, it is the Revenue's hold on fiscal legislation which is attacked rather than its attitude to case law.

Here again there is an answer, or at least an explanation, which is canvassed from time to time with periodic revivals, and this is to put an end to what Sir Geoffrey Howe once described as "nocturnalisation."

The progress of the Finance Bill through the House is conducted under the Damoclean sword of the guillotine procedure (if that is not a mixed metaphor) contained in the Provisional Collection of Taxes Act 1968. From this stems the notorious all-night sittings, the interminable schedules and finally the Act with all its mistakes—such as illustrated on page 4 of your September 7 issue, and all its loopholes which will ultimately be discussed in boardrooms, professional offices and finally the courts. Consultations before the Bill has improved but is still not truly effective: after the Act it is left in the scramble to interpret and adapt.

The immediate answer, then, is a more leisurely timetable such as that employed in the United States instead of a few months (which may be no more

than about 20 days a year) to consider all fiscal change. It is all very well to denounce the Revenue as an empire-building, tax-hungry, avoidance and evasion obsessed, "avenging angel" but it is easy to criticise when in fact they are caught between the crossfire of inspector and accountant.

But the real fault is with the politicians and their failure to provide a Parliamentary programme which enables legislation to be considered in depth and without pressure. Tax case law and statute apply to everyone—Parliament, the economy, the professions, the Revenue alike. Reform will only come with a better understanding of all these respective roles not a transmutation which tends to apportion blame as if it were the monopoly of Somerset House.

B. E. V. Sabine
Bank House,
Charlotte Street, Manchester.

From Mr F. Bevis.
Sir—When this Government was returned to office it was hoped that taxation might be simplified and the extent of legislation substantially reduced. This has not proved to be the case and the size of the Finance Acts has exceeded those of the previous Government.

The announcement that the drafting of the capital gains tax provisions of the 1982 Finance Act was imperfect and did not achieve what was intended by the Inland Revenue is an indication of the

shortcoming in the process of drafting Revenue legislation. The attitude adopted by the Inland Revenue in "sales of income" cases appears to indicate that something is clearly wrong. The over-use of the Ramsay decision as a bludgeon for any situation which might appear to avoid taxation is irresponsible. The incompetent handling of the statements relating to "secondhand bonds" would appear to indicate that something is seriously wrong within Somerset House.

Parliamentary responsibility sits with Ministers. It would appear that Ministers either agree with the present unsatisfactory situation or are unable or unwilling to take control of the Inland Revenue. It may be that the Ministers responsible for Inland Revenue matters are unsuited to the positions they hold.

A solution might be to double the size of the board of Inland Revenue, the new members being drawn from the ranks of barristers, solicitors, accountants and surveyors with specialist experience of taxation problems. The appointment of such specialists on a three-year basis might do much to improve the present deteriorating situation at a time when the Inland Revenue needs to be fostering its public relations image.

If one may paraphrase Talleyrand, taxation is much too serious a thing to be left to the Inland Revenue. It certainly cannot be left to Junior Ministers.
F. A. Bevis,
49 St James's Street, SW1.

Unfinished business

From Councillor A. Markham

Sir—I have viewed with great interest the pontifications of the CBI and TUC. I find their fanciful statements quite unreal. Recently I decided to order new workshop equipment to the value of approximately £15,000. I contacted four companies. Three months later, despite letters, telephone calls and finally directly to the managing directors. Interestingly enough these were all large companies. If the country's economy is to have any future at all, can the TUC and the CBI kindly give us a lot less talk and a lot more action. At the present moment it seems to me that the whole country's efficient economy is carried out by only the small businessman.

A. J. H. Markham (Cllr),
9, Piffard Road,
Woodley, Reading, Berks.

Is fruit cake crucial?

From Mr I. Bailie

Sir—Referring to Mr Macfarlane's letter (September 2), the particular Texan fruit cake he mentions differs considerably from British fruit cake. After 16 years in the United States personally I prefer the Texan version as having a more interesting selection of fruit and nuts but this is a matter of taste. Certainly as a 250 lb (184 stone) devourer I have found that the nearest British product is considerably more expensive.

There might be other explanations besides a British propensity to import. Perhaps the large American and Anglo-American community which prefers American fruit cake to UK fruit cake has more reason to purchase this delicacy for afternoon tea as distinct from the corresponding community in Germany where the accompanying coffee break tends to be more suitably a cream cake!

Moreover, assuming a demand for 20,000 cakes of the American style, it is hardly a mass market, could a British manufacturer compete with a U.S. manufacturer already geared to satisfying the hunger of the larger American market?

I tend to share Mr Macfarlane's scepticism as to the desire of British manufacturers to satisfy consumer demand but wonder if fruit cake really proves this point.
Iain C. Bailie,
Lodis & Porry,
52-54 High Holborn, WCL.

A mortgage holders discount scheme

From Mr D. Chandler

Sir—I can understand why the majority of building societies are showing some reluctance to co-operate with the Office of Fair Trading, regarding the choice of buildings insurers, when the Halifax declares insurance commission earnings last year of £27m.

One sensible solution, to prevent wandering policy holders, would be for the building societies to give up a "slice of their lucrative action" and introduce a mortgage holders discount scheme.

With the building societies' administrative facilities and the economies that such systems allow I would have thought a 15 per cent discount was not beyond the realms of possibility.
D. E. Chandler.

"Alpha,"
Grove Road,
Eastly,
Sandwich, Kent.

The arts for art's sake

From Mr D. Mahon

Sir—Malcolm Rutherford's perceptive analysis "The arts for art's sake" (September 10) justifiably refers to the far-seeing policies in relation to the arts which are at present developing on a governmental level in France and Italy.

May I offer readers some chapter and verse concerning Italy? Vincenzo Scotti, the extremely energetic Christian Democrat Minister responsible for the arts and the environment, has recently been successful in securing the enactment of a remarkable law to enlist, by means of fiscal facilities, the cooperation of the private sector in helping to safeguard Italy's cultural inheritance. This law was described to me by a high official in the Italian administration of the fine arts as the most important legal reform in this sector since the fall of Fascism.

One of the most constructive provisions is that allowing for the cession to the state of

approved cultural items in payment of succession taxes. But (since something similar already exists in the United Kingdom and France) even more important still is the provision which permits the discharge of income tax debts in the same way. Since it is sensibly assumed that the value of what is surrendered in any one year could well exceed the tax debt currently due, there is a provision for credits against future tax debts over a period of five years, together with reimbursement (though without allowance for interest) of any residue which might be outstanding at the end of that period.

What is particularly significant about this law is that it was achieved by an all-party consensus. Not only was it actively sponsored by the Italian ministers responsible for public finance (including a Socialist) but the principles and policy underlying it were not contested by the Communist opposition.

Denis Mahon
33 Cadogan Square, SW1

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UK COMPANY NEWS

Companies and Markets

Telefusion profits expand to £3.75m for 53 weeks

HELPED BY lower interest charges of £1.32m, against £1.79m, taxable profits of radio and television group Telefusion expanded to £3.75m for the 53 weeks ended May 1 1982, compared with £2.54m for the previous year.

The directors say that all operating companies contributed to group profits. Excluding VAT, turnover went ahead from £71.47m to £80.64m, split as to sales and service £55.83m (£47.05m) and rental £24.81m (£24.42m).

After UK tax of £935,000 (£890,000), and overseas £160,000 (£163,000), and an extraordinary debit, much lower at £70,000, compared with £631,000 last time, the attributable balance came through well ahead at £2.89m (£2.89m).

Dividends will absorb £803,000 (£735,000).

comment Telefusion's recovery derived mainly from last year's remedial action at Trident. But for a change to five instead of six years write-off of video recorders, pre-tax profit would have topped £4m. The retailing arm should

Table with columns: Company Name, Dividend, Date, Current payment, Total for year, Total last year. Includes Abbey Panels, Bertan Holdings, C. D. Bramall, Bridgwater Est., etc.

now remain a cash generator for the rental side. The decline in our TV rentals has been slowed by fixed price contracts, through these call for some cautious cost forecasting, but the group is really looking to enormous growth on the video rentals. Total capital spending this year is being stepped up from £13m to over £16m with £10m or more, compared with £6m last year, going into videos. For this a 25m medium-term loan has been arranged with the 1982 high of 65p on the results, rest coming from cash flow. This high level of investment will

offset much of the effect of the phasing out of 100 per cent tax allowances, the initial impact of which was dealt within the last accounts. Trident cannot be expected to produce more than steady growth in future, therefore, the group's outlook depends heavily on the predicted fall in interest and inflation rates make the outlook more encouraging, he says, and the easing of HP curbs has already had a noticeable effect on sales of both new and used cars. He expects the introduction of new and improved Fords, particularly the Sierra, to give trade a further boost.

Although improving its trading profits by 40 per cent from £268,000 to £314,000 on turnover up 6 per cent to £43.55m (£41.06m), interest charges increased from £22,000 to £24,000. Redundancy and termination payments resulted in an exceptional debit of £51,000. First half tax was down from £20,000 to £14,000. The stated loss per 10p share was 2.7p against 3.7p.

comment Even for an industry under pressure, E & J Quick's interim results are far from impressive. Before tax, the company is still losing over £100,000. Though some of this can be accounted for by an exceptional debit of £51,000 on redundancy payments, there was still a £10,000 rise in interest charges. This makes a sharp contrast with the obviously well-managed C. D. Bramall, which also announced interim results yesterday—a pre-tax profit virtually unchanged at £1.1m. As for the second half of the year, huge August sales, lower interest charges and easier BP arrangements should help. But will the new Ford Sierra really be able to sell as well as its classic predecessor, the Cortina, within its first six months? Quick will have to make about £300,000 in the second half to cover an unchanged dividend—but at 39p a share, a yield of only 5.4 per cent is scant support for a company which is yet to show signs of substantial recovery.

comment Low and Bonar's troubles have not been private ones and the shares, at a peak earlier in the year of 196p, had tumbled to 66p before yesterday's announcement. Even so, the company's first attributable loss in recent memory sent the shares down another 9p to a record low of 57p. At this price, the company is capitalised at about 15 per cent of shareholders' funds. The group is carrying on with its chopping and trimming; the realisation of assets, it says, is keeping a lid on borrowings. Capital gearing is not yet troublesome at about 38 per cent as long as the company continues to contract. The 2p dividend is meant to signal the expectation of better times in the second half, which is in part based on a seasonal element in the group's trading. Overall, however, there's little reason to expect much of a recovery from Low and Bonar before the end of 1983 at least. Net asset per share is still about 370p.

comment The interim dividend is unchanged at 4.5p net—last year's total was 15p from pre-tax profits of £701,000 (£684,000). First half tax was £336,000 against £110,000 and stated earnings per 50p share rose from 7.16p to 25.17p. The principal activities of Bridgwater are development and administration of land interests, including residential development and management of general investment portfolio.

ASSOCIATE DEALS Greiverson, Grant and Company, as associates of Epley-Tyas Property Group, bought 25,000 of E-T on September 8 at 79p on behalf of Cornhill Investments, a beneficial interest of Mr R. A. Shuck, the chairman of E-T.

Lower halftime deficit at Quick

A DISCOUNT war between manufacturers and retailers has resulted in extremely tough trading conditions, says Mr Norman Quick, the chairman of E. & J. Quick Group, the Manchester-based passenger and commercial vehicle dealer.

Reporting a pre-tax loss of £10,000, albeit down from £156,000 for the six months to June 30 1982, he says there are too many cars chasing too few customers. He shares the gloomy view of the economy taken by the CBI and the Association of British Chambers of Commerce. "I have never known tougher trading conditions," he adds.

Forecasting a profit for the year as a whole, however, Mr Quick announces an unchanged interim dividend of 0.53p—last year's total was 1.45p.

comment Even for an industry under pressure, E & J Quick's interim results are far from impressive. Before tax, the company is still losing over £100,000. Though some of this can be accounted for by an exceptional debit of £51,000 on redundancy payments, there was still a £10,000 rise in interest charges. This makes a sharp contrast with the obviously well-managed C. D. Bramall, which also announced interim results yesterday—a pre-tax profit virtually unchanged at £1.1m. As for the second half of the year, huge August sales, lower interest charges and easier BP arrangements should help. But will the new Ford Sierra really be able to sell as well as its classic predecessor, the Cortina, within its first six months? Quick will have to make about £300,000 in the second half to cover an unchanged dividend—but at 39p a share, a yield of only 5.4 per cent is scant support for a company which is yet to show signs of substantial recovery.

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Heavy flexing of marketing muscle

NEWS ANALYSIS - BEECHAM BID FOR J. B. WILLIAMS

THE Beecham Group has been turning heads on both sides of the Atlantic this past year or so with some racy, and apparently quite successful, advertising of toiletries and cosmetics.

Confidence in its own marketing clout has now led the group to make another sizeable acquisition in the U.S. Its first of any real significance since 1979.

J. B. Williams, to be acquired from Nabisco Brands for an agreed \$100m, has notched up results in recent years which Beecham itself agreed yesterday were "not brilliant". But the British group plans to set loose five times as many salesmen on Williams' products as they have at present and will be hoping to set it on the high road to success in the international market as well as the U.S.

Williams produces a broad range of toiletries and proprietary pharmaceuticals of which the best known at present are probably Aqua Velva, an after-shave lotion, and a sleep inducer, the Goph, one of the leaders in the vitamin pill market. The company was bought by Nabisco Inc, the giant U.S. biscuits and cereals group, in 1971. The commercial potential

of a shared distribution network was the prime logic of the deal. This was somewhat overshadowed by one of two costly marketing failures for Williams in 1978—and was swept away overnight by Nabisco's merger with Standard Brands in July, 1981.

Now just past its first birthday, Nabisco Brands is the fourth largest food manufacturer in the U.S. with sales of \$6bn and no time at all for worrying peripheral activities.

"You name it, we're in it as far as the food industry is concerned," said the New York-based company yesterday. But this is seen as demanding a total concentration of its resources. Williams, therefore, has now been sold just as Nabisco Brands' wine and spirits divisions were sold in July for \$150m to another British company, Whitbread.

The U.S. management believes it has now made all the disposals required of it by this strategic concentration on the food sector. It is still possible that plans for a major UK takeover bid could be next on the agenda—the Monopolies and Mergers Commission is not expected to publish next month its awaited report on Nabisco Brands' sus-

pending bid for Huntley and Palmer Foods. Meanwhile, Beecham will be busy integrating Williams into its Pittsburgh-based consumer products business. Beecham's U.S. interests also include the Tennessee-based Beecham Laboratories, the ethical drugs firm established in the early 60s.

The group's active pursuit of international acquisitions extends far beyond the U.S. Already this summer Beecham has acquired 65 per cent of a small French drugs firm for £1.9m and J11 Sonder, a German cosmetics company for which it paid £1.5m.

But the U.S. market is acknowledged as an area of particular interest. Acquiring companies like Williams, with a significant place in the world's largest market for proprietary pharmaceuticals, is seen as more than just another entree into the U.S. for Beecham. The acquisition brings in, too, a number of tested and successful products which Beecham can then hope to take around the world.

Certainly the group is looking to expand Williams' sales in this way. Watch out for those pheromones. Andron is a product of Jovan, a Chicago-based fragrances and cosmetics business bought by Beecham in 1979 for \$65m. In addition to Jovan and its consumer products business, Beecham's U.S. interests also include the Tennessee-based Beecham Laboratories, the ethical drugs firm established in the early 60s.

Amey Roadstone little changed at £28.84m

FOR THE year ended June 30 1982 statutory accounts of Amey Roadstone Corporation, a wholly-owned subsidiary of Consolidated Gold Fields, show virtually unchanged pre-tax profits of £28.84m, compared with £28.8m on turnover of £355.75m, against £307.25m.

Amey, a leading supplier of basic materials to the construction industries of the UK, Republic of Ireland, Holland and northern France, has management responsibility in the U.S., for the widespread construction contractor's interests in Amcon Incorporated, a fellow Gold Fields subsidiary.

Gold Fields decided it would be in the company's interests for the legal ownership of Amcon America Corporation to be held through Amcon, its own principal U.S. subsidiary. While this change—last April—affects the

statutory accounts of Amey, it does not change the management responsibility, which remains with ARC.

Figures, for Amey, of the present managed group show turnover of £485.21m and pre-tax profits of £31m. Comparative results, which in 1981 were the statutory figures, were £423.23m and £34.2m respectively.

Pre-tax results for the present statutory group were after depreciation and depletion of £12.64m (£11.5m) and interest charges down from £17.8m to £11.83m (£13.95m) and minority interests, £133,000 (£88,000), the attributable balance came through at £16.85m, against £14.76m—managed group attributable profits were £16.44m, against £12.12m.

he foresees an increase in profits for the current year, as a result both of the group's acquisitions and the modest improvement in the level of demand for products in the UK.

"However, when the economies in those countries where we operate recover from the present depression, the company will be able to realise its very considerable potential."

In the UK, volume continued to decline, during the first half of the year, but started to improve in the last four months. Severe competition, however, resulted in low price levels and inadequate margins, Mr Wood states. The company's business in the U.S. was adversely affected by the Government's policies and exceptionally high interest rates which severely curtailed housing and commercial building.

On the Continent and in the Republic of Ireland conditions reflecting the state of the world-wide economy were experienced, with political and other factors varying the position relatively marginally.

The chairman points out that the company's expansion policy was continued with two substantial acquisitions—Blue Circle Aggregates and Westminster Gravels. Also acquired were two concrete pipe works and a concrete products works. In the U.S. a limestone quarry was purchased on the west coast of Florida.

These acquisitions—which total over £60m—have been or are being integrated into management structure and are performing to expectations," Mr Wood says. Meeting, Bristol, October 5 at 1 pm. See Lex.

Low & Bonar dives by £1.6m

A DIVE of £1.64m in pre-tax profits to £54,000 has been shown by Low and Bonar, packaging, engineering, textiles and travel group, for the six months to May 31 1982. Group sales moved ahead slightly from £78.72m to £79.71m.

The interim dividend has been more than halved from 5p to 2p, after losses per 50p share were given as 10.23p against previous earnings of 2.18p. The benefits from actions being taken will start to be reflected in the second half year, say the directors. The level of the final dividend will be determined in the light of results for the year when both the impact of current actions and the prospects for 1982-83 will be seen more clearly.

In the last full year a total of 7p was paid from pre-tax profits of £7.94m.

For the period under review trading losses of £199,000 were shown compared with previous profits of £1.3m after interest and other charges net otherwise allocated of £975,000 (£920,000). Associate companies produced a lower profit contribution of £263,000 against £400,000.

comment The interim dividend is unchanged at 4.5p net—last year's total was 15p from pre-tax profits of £701,000 (£684,000). First half tax was £336,000 against £110,000 and stated earnings per 50p share rose from 7.16p to 25.17p. The principal activities of Bridgwater are development and administration of land interests, including residential development and management of general investment portfolio.

Carpets Intl. postpones loan stockholders' meeting

Carpets International, the Kidderminster-based, Gilt Edge and Crossley group, yesterday adjourned the meetings called for holders of both classes of its unconvertible loan stock until October 25.

The meetings had been convened yesterday to consider the proposed amendments to both the 81 and 91 per cent loan stocks—each repayable between 1982 and 1987—which form a vital part of the carpet manufacturer's recovery plan. The principal amendments, as announced last month, were an easing of disposal restrictions, a half-point increase in the coupon of each stock and the creation of fixed and floating charges as security for the loan stocks.

Notice of the adjourned meeting, together with any additional relevant information will be sent to stockholders "as soon as practicable."

Upsurge at Bridgwater Estates

With trading and development income increasing from £182,000 to £883,000 and investment income improving from £97,000 to £119,000, pre-tax profits of Bridgwater Estates climbed from £303,000 to £1,020,000. Reas and sundries received for the half-year to June 30 1982, moved ahead from £207,000 to £214,000.

The interim dividend is unchanged at 4.5p net—last year's total was 15p from pre-tax profits of £701,000 (£684,000). First half tax was £336,000 against £110,000 and stated earnings per 50p share rose from 7.16p to 25.17p. The principal activities of Bridgwater are development and administration of land interests, including residential development and management of general investment portfolio.

James Fisher halfway results steady at £2.3m

ALMOST unchanged pre-tax profits have been shown by James Fisher with £2.3m against £2.37m for the six months to June 30 1982. Turnover of this broker moved ahead from £4.23m to £5.75m.

The recession is still having a severe effect on world trade, say the directors and with no evident signs of revival, the shipping market is unlikely to see any return in the foreseeable future. In such a harsh economic climate, the outlook offers little scope for optimism, they say, and it would be imprudent for them to attempt to make any long-term predictions. However, they are reasonably hopeful of producing satisfactory year-end results. In the last full year, pre-tax profits stood at £3.93m from which a total net dividends of 2.65p were paid.

For the six months under review the net dividend is lifted from 1.15p to 1.32p. Earnings per 25p share are given as slightly down from 9.91p to 9.78p on a net basis. Pre-tax profits were struck after increased depreciation of £1.51m (£1.41m), reduced

NO PROBE

The following mergers will not be referred to the Monopolies and Mergers Commission under the provisions of the Fair Trading Act 1973: Skipton Building Society/Otley Building Society; Barclays Bank International/Commercial Banking Company; Tricentral/Coral Petroleum Developments.

UNION CARBIDE

Viskase, together with French sister company Viscosa SA, are now wholly-owned subsidiaries of Union Carbide Corporation.

Previously, Union held a 50 per cent share in both companies, through which all the Corporation's films packaging business in Europe is conducted. Viskase is a supplier of cellulose casings with current sales of over £5m.

CAKEBREAD ROBEY DOWN AT SIX MONTHS

Pre-tax profits of builders' and timber merchant Cakebread Robey and Co. were down from £283,000 to £278,000 for the first six months of 1982, but the interim dividend is maintained at 0.6p net per 10p share.

For the whole of 1981 the dividend totalled 2.7p and taxable profits amounted to £720,000. Turnover for the first half was just ahead at £7.64m, compared with a previous £7.59m. After tax of £145,000 (£133,000) net profits were £133,000 against £170,000 leaving earnings per share down from 2.5p to 2.2p.

BARKER AND DOBSON Barker and Dobson Group state that agreement has been reached for Leman and Company to be taken over by a German investment. Production will continue in Ireland. The completion of this agreement depends on a number of issues, one of which is the acceptance of redundancies and new manning levels. If the agreement is completed the provision made against discontinued business in the preliminary announcement of the results to ride group issued in June will be materially reduced.

Large advertisement for BTR (Bramall, Trotter & Roberts) featuring the text 'Few industrial companies managed to profit and grow throughout the 70's and into the 80's. BTR is an exception. We intend to maintain our success, continue to innovate, keep things flexible, direct and positive. Continue to encourage our people to get results. And still remain our own severest critics. For us, getting bigger means getting better, too. That's BTR' with a large stylized 'BTR' logo.

Merchants Trust moves ahead to £1.3m midterm

A MARGINAL increase in net profits has been shown by the Merchants Trust from £1.1m to £1.3m for the six months to July 31 1982. Total revenue for the period moved ahead from £2.03m to £2.47m.

The net interim dividend has been held at 1.75p, and earnings per 50p share rose from 2.16p to 2.54p. Net assets per share were shown as falling sharply from 146.7p to 130.6p, and from 145.5p to 130.5p fully diluted.

Capital appreciation continues to be a prime aim, say the directors, but they have recently been restricted in this objective by attempts to increase the dividend. The directors have restated their policy. The company will

continue to be run as a general investment trust, but emphasis is being placed on opportunities to invest in promising investments without incurring capital gains tax and by making greater use of increased gearing.

The U.S. offers the best prospects for capital growth in the medium term and the proportion of the trust's portfolio there will be increased. In the short term income growth will be inhibited but the directors believe that capital and income growth go "hand in hand" in the longer term.

Total income includes other income up at £185,000 (£59,000) and increased expenses of £403,000 (£232,000). Tax took £746,000 (£529,000).

Jebsens Drilling soars to £10m and pays 7p interim

A SUBSTANTIAL rise from £4.3m to £10.4m in pre-tax profits is reported by Jebsens Drilling for the six months to June 30 1982. Revenue also soared ahead from £11.6m to £27.5m. The interim dividend is 7p—no payment was made last year, but there was a final 10p from pre-tax profits of £8.78m.

Dealing of the company's shares on the Unlisted Securities Market began in April and at the time, this North Sea drilling group forecast profits of £14.5m for the year. First half operating expenses more than doubled to £15.2m (£7.5m), and finance costs were also higher at £4.3m against £2.4m. Exchange gains brought in £2.4m (£2.6m). The directors say that if the

Advertisement for C. D. Bramall, MAIN DEALERS, INTERIM RESULTS. Table showing financial data for six months and year ended. Includes Turnover, Profit before tax, Profit after tax, Dividend per share, net.

Advertisement for M. J. H. Nightingale & Co. Limited, 27/28 Lovat Lane London EC3R 8EB. Telephone 01-621 1212. Table listing various stocks and their prices.

UK COMPANY NEWS

BTR rises 13% to £48.7m halftime

DESPITE an increase from £4.1m to £10.7m in finance costs, taxable profits of international energy, engineering, plastics and materials handling group BTR advanced by 13 per cent from £43m to £48.7m in the first half to July 3 1982. Sales were ahead at £279.7m, compared with £263.7m—a rise of 25 per cent. And with earnings per 25p share stated higher at 29.9p (27.1p), the interim dividend is being raised from 4.25p to 4.75p net. Last year, a total of 8.75p was paid from pre-tax profits of £30.1m (£20.2m).

The directors say that the problems of a persisting recession were commonplace in every area in which the group operated. The actions necessary to deal with those problems were "extensive, firm and broadly effective."

As a result, they say profits from operations continued to make headway—advancing by 23 per cent from £35.2m to £55.6m. The current trend and expectations of progressively lower interest rates is a welcome relief, they add.

A breakdown of sales and operating profits by region shows: Europe £206.2m (£155.3m) and £23.6m (£17.4m); West £75.7m (£65.5m) and £18.1m (£14.7m); East £94.8m (£82.9m) and £13.9m (£13.1m). Other income amounted to £3.5m (£2.7m), while taxable profits included £1m in favourable exchange rate fluctuations.

Tax took £16.3m (£13m) and after minorities of £2.5m (£2.8m) the attributable profits emerged 10 per cent higher at £29.9m (£27.1m).

Our Johannesburg Correspondent writes that the management of the 62 per cent-owned South African subsidiary is disappointed with its results for the six months to July 22.

Turnover rose by 15.2 per cent to R89.7m (£45.5m at current rates) from R77.9m, while operating profits before finance charges and tax fell by 2.9 per cent to R13.6m from R14.2m. In the year ended January 1 1982 turnover totalled R161.5m and operating profits R29.3m.

The company has decided to pull out of the capital equipment market and the wholly-owned Victor Kent subsidiary ceased trading in August. BTR now intends to concentrate on rubber products, and a programme of streamlining and re-organising the company's operations is taking place.

First-half stated earnings per share fell to 40.9 cents from 57.4 cents and the interim dividend has been cut to 2.5 cents from 30 cents. In the year ended January 1 1982 a total dividend of 65 cents was declared.

See Lex

G. Blair back in the black at year end

COMPARED with pre-tax losses of £1.16m last time, George Blair, manufacturer of cast steel products, has turned in taxable profits of £106,000 for the year ended April 3 1982. Turnover went ahead from £9.33m to £10.72m.

Mr Ian Blair, chairman, says the result confirms his statement at the interim stage of the success of the company's reorganisation. The directors, however, are not recommending the payment of a final dividend, he says, but will continue to review the situation during the current year.

The chairman explains that trading conditions continued to be difficult during the year, and the improvement in midway profits continued at a slower rate in the second six months.

The group achieved "some notable successes," Mr Blair states, particularly in competitive export markets and in obtaining orders on some important home outlets — exports increased to 45 per cent of the company's turnover, compared with 35 per cent previously, this, to some extent reflecting improved exchange rates.

The chairman says that despite recent Government statements on the future of the economy, the group's experience of world trading conditions indicates that profit margins are likely to remain under pressure, "and at this stage of the year it is therefore difficult to forecast the full year's results with any accuracy."

Trading profits of this close company for the 12 months amounted to £459,000, compared with losses of £338,000, and severance payments were lower at £37,000, against £425,000. Interest charges were £318,000 (£251,000).

There was no tax figure for the period (£264,000 credit) so the net balance of £106,000 (£900,000 loss) is shown as 5.77p earnings (48.76p losses) per 25p share.

The company is 30 per cent owned by Harrisons Crossfield.

HME £1m ahead in first quarter

AFTER a £1.1m surplus this time on land disposals Harrisons Malaysian Estates produced increased pre-tax profits from £4.53m to £5.5m for the three months to June 30 1982. Turnover for the period moved ahead from £13.9m to £14.2m.

When the scheme of arrangement which was approved by members on August 20 becomes effective, the directors point out that the company will become a wholly-owned subsidiary of Harrisons Malaysian Plantations Berhad.

The accounts for HMPB for the year to March 31 1983 will include the results of the HME group.

There was a slightly lower surplus on trading of £3.05m investment income slipped from £1.26m to £0.97m, but the share of associates rose from £68,000 to £71,000.

Tax took £1.57m against £1.82m. After minorities of £15,000 (£10,000) attributable profits emerged ahead from £3m to £4.21m.

A breakdown of harvested crops in tonnes for the three months shows: rubber 8.42m (7.95m); palm oil and kernels 38.21m (34.39m); cocoa 1.06m (0.95m); copra 0.73m (1.07m).

The company is 30 per cent owned by Harrisons Crossfield.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final, and the sub-divisions shown below are based mainly on last year's practice.

TODAY

Interim—Barton Group, Danish Bacon, S. W. Farmer, Hestair, Home Chem, London United Investments, Bernard Matthews, Penfold Industries, Roselmond Investment Trust, Standard Chartered Bank, Yorks Indemnity, Willis Faber.

Final—Chambers and Farago, Consolidated Gold Fields, F. and C. Eurotrust, Flecher Challenge, London Merchant Securities, Sirdar.

FUTURE DATES

Interim—Alva Investment Trust, Sept 21
Amalgamated Metals, Sept 15
Archer-Dollar Income Trust, Sept 15
Amellia, Sept 15
Beaton Clark, Sept 20
Bovington, Oct 5
British Aerospace, Sept 21
Haden, Sept 22
Laporte Industries, Sept 22
Rugby Portland Cement, Oct 4
Sole Tilney, Sept 18
Smith & Aubyn, Oct 20
Thrupper Berdax, Sept 15
Whitman Reeve Angel, Sept 29

Final—Dowling and Mills, Sept 23
Harvey and Thompson, Sept 16
Meynolds, Sept 23
Mucklowe (A. and J.), Sept 23

Abbey Panels omits interim

COMPARED WITH a loss of £2,000 for the second half of last year, Abbey Panels Investment has turned in taxable profits of £296,683 for the six months ended March 31 1982, although these are much lower than the £569,569 for the previous first half.

Sales of this manufacturer of space, aerospace, defence assembly and body shells, fell by £1.1m to £4.9m for the six months and the interim dividend has been omitted.

The directors say that it is essential to continue to reduce all expenditure and protect the group's cash position as far as possible. They add that in addition there will be a heavy tax charge next year, for which provision must be made, so they have decided to pass any interim payment.

The net interim dividend of this close company last year was 1.3p, followed by a final payment of 0.75p. Pre-tax profits for the whole of 1980-81 were down from £577,323 to £567,201, on lower turnover of £9.3m (£10.16m).

The order and trading position remains unsatisfactory and the board says it is unable to see any indications that this will improve in the near future.

Directors are continuing to pursue all opportunities and developments across the full range of group activities and to persevere with their cost reduction and efficiency programmes. They say they are convinced that when the recession lifts, the company will be much healthier.

Net profits after six months came out at £296,683, compared with a previous £208,392, after tax of £227,523, against £364,174.

Bramall edges higher at midway

DESPITE the extremely competitive market, C. D. Bramall, the Bradford motor vehicle dealer, reports a slight increase in pre-tax profits, with figures up £6,000 to £1,056m, for the six months to June 30 1982. Turnover rose from £22,56m to £24.49m.

The interim dividend is unchanged at 2.05p net—last year's total was 6p from pre-tax profits of £3.11m (£1.67m).

Mr D. C. A. Bramall, the chairman, views the next six months with guarded confidence. He says the relaxation of tax restrictions will help the company's business, and he adds that the August market was a record for Bramall and it has several new models to look forward to before the year-end, all of which will help its performance up to the end of the year. He expects overall results to be similar to last year.

Commenting on the first half results, he says he has always accepted that the retail motor trade is extremely competitive. He believes this has never been as evident as during the last six months with advertised high discounts, manufacturers' bonuses and excess stocks. These have all contributed to this "unhealthy" state of affairs. In turn, this created a reduction in used car prices and affected used car profit performance.

Service and parts business again contributed a major part to dealership profits which improved from £775,000 to £788,000 in the first half. Contract hire, leasing and hire purchase was also ahead at £335,000 against £277,000, an increase of 21 per cent. Holding company costs were up from £5,000 to £70,000.

The tractor and construction equipment leadership is showing an improving trend and its performance this year will be much better than previous years, although the company is not a significant contributor to group profits.

The new Vauxhall/Bedford dealership building was completed in August and the capital costs and most of the setting up costs have largely been borne in the first half, of course, no revenue. Mr Bramall hopes it will start making a contribution to profits by the end of the year.

First half tax was £499,000 compared with £450,000, leaving attributable profits slightly lower at £554,000 against £595,000. After dividends of £74,000 (£98,000)—there was a waiver of £34,048—retained profits were £23,900 lower at £480,000.

Earnings per 25p share fell from 11.3p to 10.5p. On a CCA basis, pre-tax profits were £942,000 (£776,000).

Expansion at Murray Glendevon

Attributable profits of the Murray Glendevon Investment Trust advanced from £300,866 to £407,067 in the year to July 31 1982 while stated earnings per 25p share moved ahead to 3.95p, compared with 3p.

The final dividend is being raised from 1.8p to 2.1p net, making a higher total of 3p (£2.7p).

The directors say the main change in the portfolio during the year was a substantial investment in U.S. government bonds financed partly with bank borrowings and partly with the proceeds of the sale of UK government stocks and equities.

Gross revenue of £1,551m (£1,099m) was made up of franked income of £477,098 (£366,702) and unfranked of £1,111m (£727,382). Interest payable took £339,711 (£572,355) and expenses amounted to £67,091 (£66,079), leaving taxable profits of £643,318 (£455,650). The tax charge was £206,221 (£154,964).

After dividends of £308,264 (£277,623), the retained profits emerged at £98,813 (£30,043).

Equity shareholders' interest at the year end was £15,75m (£20.39m) and net assets per share were given as 180.6p (£136.4p). On July 31 investments represented 14.7 per cent (12.3 per cent) of net assets.

Barclays National plans to open New York office

Barclays National Bank, the South African subsidiary of Barclays Bank International, is planning to open its own office in New York to counter strong competition for foreign business from Nedbank, a wholly South African-owned banking group.

Mr Colin Waterson, Barclays' senior general manager, in Johannesburg says that "there are thoughts in this direction, but there are no advanced plans." He confirms that one of Barclays' senior international division managers has been approached to open the office.

Mr Waterson says that a Barclays National office in New York will not be independent of Barclays' other operations there, and that it will co-operate with other Barclays' subsidiaries in the U.S.

Nedbank South Africa's third largest banking group, announced recently that it is to open a full branch in New York.

Directors are continuing to pursue all opportunities and developments across the full range of group activities and to persevere with their cost reduction and efficiency programmes. They say they are convinced that when the recession lifts, the company will be much healthier.

Net profits after six months came out at £296,683, compared with a previous £208,392, after tax of £227,523, against £364,174.

WINTERBOTTOM ENERGY TRUST

Winterbottom Energy Trust's net asset value per ordinary share at the close of business on September 10 was 51.7p after deduction of prior charges at par, and 54.1p after deduction of prior charges at market value.

RESULTS AND ACCOUNTS IN BRIEF

OWEN ROBINSON (retail jeweller)—Results for year to May 31, 1982, reported on August 4. Shareholders' funds £27,162 (£1,030m); fixed assets £301,199 (£816,062); net current assets £272,733 (£424,622); decrease in working capital £26,254 (increase £36,721). The company has a "close" state of affairs. Meeting: York, October 7, at 3 p.m.

REBORNE (fabric supplier and distributor)—Results for the year ended April 2, 1982, and prospects reported July 7. Shareholders' funds £4.5m (£4.41m). Net current assets £1,311m (£3,24m). Compensation to former director £14,000 (nil).

TR CITY OF LONDON TRUST—Results for the year to June 30 1982 already known. Investments listed in Great Britain £27,22m (£48,78m); current assets £3,25m (£2,34m); net liabilities £366,230 (£1,02m). The company has a management contract with Touche Ramont and Co. Meeting: 2 Puddle Dock, EC, September 29 at 2.30 p.m.

"CORONATION SYNDICATE"—No dividend has been received by the company during its current financial year from its Zimbabwe subsidiary, Coron Consolidated Mines, and no final has been declared in respect of the year to September 30 1982.

J. AND J. DYSON (refractories, trailers, building)—Results for year ended March 31 1982 reported August 2. Shareholders' funds £3.5m (£3.4m); net fixed assets £8,12m (£8.5m); net current assets £7,33m (£7.41m). Net liquid funds increased by £72,221 (£1,77m decrease). Chairman says company faces future with optimism and confidence. Meeting: Sheffield, September 24 at noon.

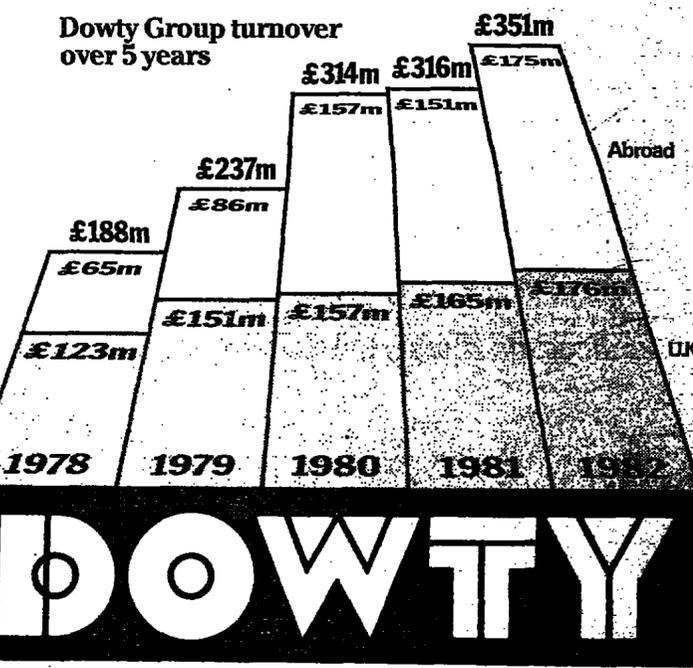
SIDNEY C. BANKS (rain merchant)—Results for year to April 30 1982 reported August 2. Shareholders' funds £8.3m (£8.25m); fixed assets

(£189,000) and interest charges of £492,000 (£1.2m); tax £277,000 (£262,000). Stated earnings per 25p share 5.5p (£1.6p) diluted. Net asset value at June 30, on basis that 24 per cent convertible loan stock 1987 fully converted, 31p (35p).

BESBORGH SERVICES (scalloping contractor, insulation engineer, building equipment plant hire, fluidised bed furnace maker, and distributor of anti-corrosive coatings)—Results for the year to March 31 1982 reported Sept 9. Shareholders' funds £9.2m (£3.5m); fixed assets £3,65m (£3,05m); net current assets £1,922 (£1,33m); increase in working capital £50,572 (£1,52m). Meeting: Wakefield, October 23 at 1 p.m.

DAVID S. SMITH (HOLDINGS) (manufacturer of photolith printed packaging materials)—Results for year to April 30 1982 reported on August 6. Shareholders' funds £1.95m (£1.96m); fixed assets £31,895 (£40,544); current assets £3,45m (£3,72m). Chairman says aggressive competition from overseas is affecting both trading volume and margins and this, combined with the reduction in home demand, results in unprecedented over-capacity within the industry. Meeting: Kingsley Hotel, Bloomsbury Way, W.C.1, at noon.

AAH HOLDINGS (field fuel, oil, builders' supplies, pharmaceuticals, road haulage and engineering)—Results for the year to March 31 1982 and prospects reported July 27. Shareholders' interests £23,24m (£26,58m). Fixed assets £24,06m (£21,45m). Current assets £31,07m (£74,03m), including debtors and bills receivable £39,48m (£47,92m). Current liabilities £73,87m (£57,55m), including bank overdrafts £19,95m (£12.4m). Meeting: The Grosvenor Hotel, SW, October 27, noon.



ACCEPTING THE CHALLENGE OF THE RECESSION

Aggressive marketing and strong management action to control costs have once again enabled Dowty to produce satisfactory results in spite of fierce competition aggravated by world recession.

Group turnover advanced to £351m—up 11%—and pretax profit to £39m.

Two new overseas acquisitions will complement the Group's existing business and enhance profits.

Results in Brief	1981/82	1980/81
Turnover	£351m	£316m
Profit before tax	£39m	£36m
Earnings per share	13.6p	13.6p
Dividends per share	3.7p	3.3p
Times covered by profit after tax	3.7	4.1

The prospects, as viewed by the Chairman, Sir Robert Hunt.

'We expect to make further progress during the current year.'



Copies of the full Report and Accounts from: The Secretary, Dowty Group, Cheltenham, Gloucestershire.



The Annual General Meeting will be at the registered office, Arle Court, Cheltenham, on Wednesday, 6th October at 11.00 a.m.

BAIN DAWES plc and STEPHEN L. WAY INTERNATIONAL

Are pleased to announce the formation of a joint new London insurance broking company "BAIN DAWES (LONDON) LTD."

The Company will provide a full range of insurance services with special emphasis on North American business. It will operate under the umbrella of Bain Dawes plc.

Bain Dawes plc, headquartered in London, is a leading international insurance broker with an annual premium volume of more than £350,000,000. They have offices throughout the world employing in excess of 2,000 people.

Stephen L. Way International is a leading United States Surplus Line broker and Managing General Agent with offices in Texas, California and New Jersey. Precedence is given to large commercial accounts, specialising in all aspects of the transportation industry. The Group also includes two insurance companies, the International Indemnity Company of Texas and the Bermudan based Trafalgar Insurance Company.

BAIN DAWES plc, BAIN DAWES HOUSE, 15 MINORIES, LONDON EC3N 1JF

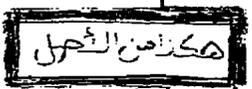
STEPHEN L. WAY INTERNATIONAL, 13403 NORTHWEST FREEWAY, HOUSTON, TEXAS 77040

LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY

At the Annual General Meeting held on 13th September 1982 the Chairman, Mr Robin Herbert, made the following statement:—

Since the end of the financial year the long awaited fall in interest rates has commenced both here and in the USA. This welcome move has been beneficial to your company. The current international banking problems have caused concern about the stability of the banking system. I am therefore delighted to reaffirm my remarks in the annual report that your company has no exposure to the sort of international and other risks that give cause for concern elsewhere.

Activity in all departments continues at a satisfactory level and I am hopeful that your company will enjoy another successful year.



MINING NEWS

Falconbridge delays reopening Sudbury nickel operations

BY KENNETH MARSTON, MINING EDITOR

WHILE THE world awaits the ending of the economic recession the mining industry must continue to restrict its operations...

Malaysian tin outputs

OUTPUT OF tin concentrates by the companies under the control of the Malaysia Peras Charter Management fell again in August...

Poseidon New Wits takes a dip

AUSTRALIA'S Poseidon, which rose again after the sinking of the wild nickel exploration boom...

NEEPSSEND/VAUX

NEEPSSEND has given an irrevocable undertaking to Vaux Breweries that, if within the next 21 days...

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Nov. Last, Vol., Last, Vol., Last, Stock. Lists various European options like GOLD C, F.110, etc.

Companies and Markets BIDS AND DEALS

Pergamon reveals rescue plans for Hollis Bros.

SHARES IN the loss-making timber merchanting, educational, office and laboratory furniture group, Hollis Bros. and ESA, were suspended yesterday...

Marchwiel buys Finlas for £11m

Marchwiel, the Sir Altrud McAlpine building group, has agreed to pay £11m in cash for Finlas the housing, construction and property development company...

ACC has enfranchised 'A' shares

THE ENTERTAINMENTS conglomerate Associated Communications Corporation, which is now headed by Mr Robert Holmes à Court, the Australian entrepreneur...

SHARE STAKES

Crest International Securities—Director Mr Tom Farmer has purchased 135,000 ordinary shares. Alliance Investment—NCB staff and superannuation scheme...

Reed Intl. buys U.S. paint maker for £3.6m

Reed International has through Reed Holdings Incorporated, acquired Parker Paint Manufacturing Company...

S. Pearson in glass interests disposal talks

S. Pearson & Son, whose activities range from banking to industrial and leisure interests, and Plate Glass & Shatterproof Industries...

BAIN DAWES IN JOINT VENTURE

Bain Dawes and Stephen L. Way International have formed a joint new London insurance broking company, Bain Dawes (London).

SHAW & CO./ATM

Shaw and Company has announced that by September 10, acceptance of the offer for the Amalgamated Tin Mines of Nigeria had been received...



Interim Report of the Directors

The unaudited results for the six months ended 30th June 1982, are as follows:

Table with columns: Information, Half-year to 30th June 1982, Half-year to 30th June 1981, Year ended 31st Dec 1981. Rows include Turnover, Trading profit, Interest payable, etc.

The results for the first six months of 1982 show an increase in pre-tax profit of 94% over the first six months of the previous year...

THE TRING HALL USM INDEX 129.8 (-0.9) Close of business 13/9/82

LADBROKE INDEX 572.577 (-3)

BSR PLC Interim Report

The unaudited results for the Group, prepared on a historical cost accounting basis, together with the comparable figures for the previous year, are as follows:

Table with columns: 6 months 3 July '82, 6 months 4 July '81, 12 months 10 Jan '82. Rows include Sales to External Customers, Trading Profit, etc.

The analysis of Sales and Trading Profits (historical cost) of the Group over its four operating divisions is as follows:

Table with columns: 1982, 1981, 1982, 1981. Rows include Audio, Electronics, Housewares, Industrial.

As regards the Audio Division and as previously reported, the factory at Old Hill was closed in March of this year and short time working was also introduced at the other two factories...

Current Cost Information 6 months 3 July '82

Table with columns: Current Cost Information, 6 months 3 July '82. Rows include Trading Profit per Historical Cost, Current Cost Adjustment, etc.

previous period of £2,570,000. The Extraordinary Items represent closure costs including redundancy payments of £2,456,000 both in the UK and overseas...

Turning now to the second half of the year the demand for record changers and players is still depressed and there is no evidence to suggest any improvement for the remainder of this year...

LONDON TRADED OPTIONS

Table with columns: Option, Expiry, Closing price, Vol., Closing offer, Vol., Closing offer, Vol., Equity Close. Lists various options like BP (c), SP (c), etc.

C=Call P=Put

N. American bank bond prices continue to fall

BY ALAN FRIEDMAN
NEW Eurodollar bond issues came under pressure yesterday as the dollar market saw prices of many fixed-interest bonds fall by between 1/2 and 1 point.

IBM 12 1/2 per cent \$200m deal seems to be the only one of last week's crop to have got completely away; it traded at around 99 1/2 last night against an issue price of par.

A lot of people were fooled into thinking the IBM 12 1/2 per cent coupon represented the level of the market. But that was an unrealistic level except for IBM.

Now the Euro market is remembering the "fundamentals" such as the U.S. Treasury deficit funding and the expected U.S. money supply.

West Germany's second largest cable-making company (1981: DM 1.07bn), have so far avoided the plunge into insolvency.

As an oasis of comparative success within the AEG group, AEG-Kabel has managed to set up banking relationships independent of its parent company.

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As an oasis of comparative success within the AEG group, AEG-Kabel has managed to set up banking relationships independent of its parent company.

Interim setback at French Esso

BY OUR FINANCIAL STAFF
ESSO SAF, the French subsidiary of Exxon of the U.S., reports a loss of FFR 158m (\$23m) for the first six months of 1982, as refining operations continued to erode performance.

Sears Roebuck to shed Spanish subsidiary

BY OUR FINANCIAL STAFF
SEARS ROEBUCK one of the world's leading retailers has agreed to sell its Spanish subsidiary, Sears Roebuck de Espana, to a consortium of Spanish retailers.

Sharp reverse at Weeks Petroleum

BY OUR FINANCIAL STAFF
WEEKS PETROLEUM, the U.S. run oil exploration company which draws its main revenue from oil and gas fields, suffered a fall of 25 per cent in net income before extraordinary items in the first half of this year.

CanPac dividend is reduced

BY OUR FINANCIAL STAFF
A CUT in the quarterly dividend from 47.5 cents a share to 35 cents has been announced by Canadian Pacific (CanPac) the Montreal-based rail, sea and air transport group which also has widespread interests in natural resources and manufacturing.

Tang Industries to buy McLouth Steel assets

BY RICHARD LAMBERT IN NEW YORK
TANG INDUSTRIES, a privately-held steel warehousing and processing company, has tentatively agreed to buy the assets of McLouth Steel, a Detroit-based steelmaker.

Sabine to sell Canada assets

BY OUR FINANCIAL STAFF
SABINE, the Dallas-based energy group which has reached a definitive agreement to sell its Canadian assets, said that completion of the deal is expected early next year.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday October 13.

Table with columns: U.S. DOLLAR, OTHER STRAIGHTS, CONVERTIBLE, SWISS FRANC, DEUTSCHE MARK, YEN STRAIGHTS. Lists various bond issues with their terms and prices.

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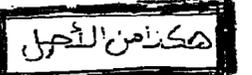
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State Electricity Commission of Victoria
U.S. \$120,000,000
Sixteen Year Multicurrency Loan Facility
Guaranteed by the Government of Victoria

Middle East bank to double capital
By Our Banking Correspondent
Gulf International Bank (GIB), the Bahrain-based bank owned by seven Middle Eastern governments, is to double its authorized and subscribed capital to ED 200m (\$530m).

State Electricity Commission of Victoria
U.S. \$120,000,000
Sixteen Year Multicurrency Loan Facility
Guaranteed by the Government of Victoria



INTERNATIONAL COMPANIES AND FINANCE

24
Companies and Markets

State may step in at Banco Napoli

BY RUPERT CORNWELL IN ROME

DIRECT intervention by the government may now be necessary to settle the long running row between Dr Rinaldo Ossola, chairman of the Banco di Napoli, and his board, which is increasingly paralysing the operations of Italy's seventh largest commercial bank. The dispute has flared into the open again with the investigation just opened by the Bank of Italy into allegations that four of the nine board members have improperly received loans from the bank—a suggestion that two of them have already flatly denied. The inquiry by the central bank follows a report by the Banco di Napoli auditors. It will be headed by Sig Giulio

Padalino, who four years ago carried out a similar exercise at the former Banco Ambrosiano group, headed by Sig Roberto Calvi. This particular episode however appears to arise from political considerations—above all from the challenge to the entrenched domination of the bank by the Christian Democrat establishment in Naples, represented by the appointment of Dr Ossola in 1980. The dispute has been made worse by the year-old failure to agree on a suitable nominee for the post of managing director. Dr Ossola, former deputy governor of the Bank of Italy and an internationally known

figure, was chosen to head the bank in an attempt to improve its management and break it free from the domination of the parties, above all the Christian Democrats, who provide two-thirds of the board members. Early in 1981 Dr Ossola threatened to resign rather than consent to the nomination of a managing director acceptable to the politicians, but whom he considered unqualified for the job. Since then the post has remained vacant while Sig Nino Andreatta, the Treasury Minister, has been unable or unwilling to put forward a new candidate. A further disagreement arose when Dr Ossola attempted to push through a new draft

statute, which would have reduced the scope for political interference in Banco di Napoli's affairs. His board refused to discuss the matter, prompting the bank of Italy to warn last June that unless the bank put its house in order, it reserved the right to remove the entire top management and send in a special commissioner. In purely financial terms, there is evidence that Dr Ossola has succeeded in improving the workings of Banco di Napoli, by lifting its profits and expanding its international operations. But the rift between himself and the banks' Naples-oriented hierarchy in the meantime has widened—perhaps irreparably.

Downturn in full-year earnings at BMI

BY MICHAEL THOMPSON-MOET IN SYDNEY

BMI, the Australian resources and building materials group, has suffered a 23 per cent fall in net profit for the year to June 30, from A\$23.92m to A\$18.64m (US\$15.4m). It also earned yesterday that one of its main rivals, Boral, had acquired a 19.7 per cent stake in BMI, fueling speculation of a takeover struggle. A full bid, it is estimated, would cost A\$250m to A\$300m. Boral has declined to explain its intentions, though it has not, to date, requested board representation. Its holding is just below the 20 per cent level that would trigger a compulsory bid. Other major shareholders in BMI include CSR, with 11.08 per cent, and the Australian Mutual Provident Society, the country's largest life office, with 9.02 per cent. A covenant under which CSR agreed not to sell its BMI shares without the board's blessing has another year to run. BMI attributed the fall in its profits to higher interest payments (A\$22.15m, against A\$11.7m) and operating dislocations caused when Ready Mixed Concrete, previously shared with CSR, was split between the two companies. In addition demand from the building and construction industries was flat. The directors say the outlook for the current year is encouraging. A widening of BMI's Australian operating base to five states "places the company in a favoured position to participate in the accelerated nation-wide road expenditure outlined in the August federal budget."

Comeng Holdings, the Australian engineering company, has reported flat profits for the year ended June. Net profits were A\$15.61m (US\$13.1m) against A\$13.43m a year earlier. Turnover, however, rose by 22 per cent from A\$199.75m to A\$263.03m. Earnings per share were 32.3 cents against 33.5 cents, adjusting for a one-for-10 scrip issue. An unchanged final dividend of 6 cents a share made a total of 12 cents against an adjusted 10.9 cents. The company recovered from a 15 per cent fall in interim net profits and is forecasting higher profits this year.

IBM JAPAN, a wholly owned subsidiary of IBM of the U.S., will for a joint venture with a Japanese trading house, Kanematsu-Gosho, to handle sales and servicing of electric typewriters and other office equipment in Japan. This is the first time IBM has entered such a joint venture for sales overseas. Kanematsu-Gosho had been acting as the agent for IBM's electric and electronic typewriters, display writers and a small office computer known as the IBM System 23. The new company, Nippon Office Systems, owned 65 per cent by the Japanese trader and 35 per cent by IBM Japan, expects sales of about ¥10bn (\$37.5m) in its first year. It will be capitalised at ¥400m. IBM Japan does not rule out the possibility of expanding the role of the new joint venture company to include other lines of office automation equipment. But there are no definite plans to do so. IBM has not yet revealed how or when it might introduce in Japan its new line of powerful 16-bit personal computers now being sold in the U.S. The

System 23 computer to be sold by Nippon Office Systems is the smallest of IBM's office computers, but is still much more expensive than machines in the personal computer range. Competition among Japanese personal computer makers has increased considerably in recent months. A number of companies have introduced personal computer systems compatible with the IBM model. Kanematsu-Gosho has expanded its electronics division steadily in recent years. It now has ten affiliates in the electronics business.

ITT German subsidiary increases sales

By Stewart Fleming in Frankfurt

STANDARD Elektrik Lorenz (SEL), the West German subsidiary of the International Telephone and Telegraph, has reported a 7.7 per cent increase in its sales revenues for the first half of 1982 to DM 1.7bn (\$680m).

The company said sales growth in its telecommunications division was favourable and in spite of the present economic weakness it expected further satisfactory growth in this area.

SEL's consumer electronics division, whose television side has been undergoing some major restructuring, reported a 14.5 per cent sales increase, partly reflecting the improving market share in colour television sets. The company said it sold 40 per cent more colour sets in West Germany in the six months.

Indicative of the moves SEL has been making to cut costs is the reduction of 1,264 to 31,889 in the number of employees compared with a year ago.

Advance at Lesieur

Lesieur, the French manufacturer of edible oils and household cleaning articles, reports net profit up 18 per cent in the first half of 1982 to FF 27m (\$12.2m). Sales rose by 28 per cent to FF 3.4bn. The company attributed the strong sales gain to expansion in Spain, reports AP-DJ from Paris.

Electrolux eyes AEG units

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

ELECTROLUX, THE Swedish household appliances group, is negotiating to take a minority interest in five subsidiaries of AEG-Telefunken, the debt-ridden West German electrical group. The Swedes would take over the management of the factories manufacturing household appliances and would have an option to secure a majority holding at a later stage. Mr Anders Scharp, Electrolux's managing director, confirmed that this was one of several alternatives his company had discussed with AEG. But he added, it was impossible to enter formal negotiations until AEG had come to terms

with its bankers and the federal government. In the meantime, Electrolux is studying more closely the state of AEG's operations and its standing in the West German household appliances market. The factories in which Electrolux is interested exclude the Trefx Kueppersbusch and Zanker plants which are the subject of composition proceedings. The Swedes understand that these are likely to be closed down with their brand names and some of their products being transferred to the remaining five factories. Control of the five plants

would give Electrolux the breakthrough into the West German market which it has been seeking for some years. The Swedish group has seized commanding shares of other West European markets by takeovers, but has not managed to penetrate West Germany. Its only success was the purchase last year of Progress, a small manufacturer of vacuum cleaners. By taking initially only a minority share in various AEG operations, Electrolux would not have to consolidate them. In this way it would avoid a formal deterioration in its equity-to-debt ratio.

Elektrisk moves slightly ahead

BY FAY GJESTER IN OSLO

ELEKTRISK, THE Norwegian subsidiary of Sweden's Eriksson, reports a pre-tax result for first half 1982 of Nkr 53m (\$7.5m), slightly up on last year's Nkr 49m. It predicts, however, that profits for the whole of 1982 will be about Nkr 110m, compared with Nkr 116m in 1981.

Operating income reached Nkr 804m—12 per cent up on a year earlier—and orders booked, at Nkr 1.5bn, were 11 per cent higher. The company, which makes communications equipment, says that sales prospects on the Norwegian market are good. It will "do its utmost" to win the key contract which Norway's state telecommunications

authority will place—probably next year for the next generation of digital telephone exchanges. Bids have been invited from four foreign companies as well as from Elektrisk and the latter's main Norwegian competitor, Standard Telefon og Kabelfabrik (STK). The half-year report is less sanguine about the chances of selling Norwegian-made telecommunications equipment on foreign markets. It says Norway's high wage and cost levels make it difficult to compete abroad and the Norwegian inflation rate is now "markedly higher than in most of the countries we are competing with."

and foreign banks have arranged a \$120m, eight-year facility on the Ecomarket for Smedvig Development Drilling, a Norwegian company which is to drill the production wells for the third platform on the Anglo-Norwegian Statfjord oil and gas field. The banks describe the loan agreement as "a significant departure from conventional banking practice." Normally a production drilling contract would be financed by the oil companies participating in the field development. When Smedvig secured the contract—worth about \$145m—earlier this year, it agreed to handle the financing of the necessary equipment, as well as the work.

Marginal midway rise at Marui

BY YOKO SHIBATA IN TOKYO

MARUI, a leading Japanese retail chain store and consumer finance group, has reported a marginal gain in results for the half year to July. There was a slowdown in personal consumer spending and poor summer weather but the newly formed consumer loan side kept profits and sales ahead. Pre-tax profits rose by 1.1 per cent to ¥9.74bn (\$37m) on sales of ¥121.1bn, up 2.6 per cent. Turnover of the service division, which includes consumer loans, insurance and travel rose by 7.5 per cent to account for

4.3 per cent of the total. Clothing sales advanced by 2.1 per cent to account for 23.7 per cent; gentlemen's supplies and sports goods by 3 per cent to account for 22.8 per cent; furniture and household goods fell by 0.1 per cent to account for 30.1 per cent; and sundry goods fell by 2 per cent to account for 19.1 per cent. The volume of consumer loans was 4.1 times higher at ¥31.3bn. The business was started in February 1981 and the company plans to achieve turnover of ¥60bn for the full year to January 1983.

Plans for the current half year include the expansion of the service division, the introduction of a new credit system with much easier conditions, and a sales promotion campaign aimed at credit card holders, who now exceed 5m. Outstanding consumer loans at the end of the current year are now forecast at ¥70bn, against ¥39bn a year earlier. Full year pre-tax profits are expected to reach ¥20bn, up 6 per cent, on full year sales of 232bn, up 8 per cent. Net profits are projected at ¥9.4bn, up 10 per cent.

Straits Trading results hit by poor tin prices

BY GEORGIE LEE IN SINGAPORE

STRAITS TRADING Company, the investment holding and tin concern which is part of the Oversea-Chinese Banking Corporation, has reported lower earnings for the half year ended June. Group pre-tax profit was down 12.7 per cent to S\$26.5m (US\$12.3m). Net profit after deducting minority interest fell by 12 per cent to S\$17.1m. Turnover rose by 5 per cent to S\$488m but trading profit dropped by 29 per cent to S\$11.7m largely reflecting poor tin prices. From the second quarter the company's smelting business was operated by the 58 per cent-owned subsidiary, Malaysian Smelting Corporation which was set up last year to effect the Malaysianisation of the business. Estimated earnings have been included in the group's figures. The group reports that throughput of the smelters was satisfactory but earnings were adversely affected by depressed prices for tin, lack of demand for slag and increased financing and depreciation charges. The company warns that restrictions on the production and sale of tin concentrates imposed by the Malaysian Government from April 27 are expected to adversely affect smelting and investment income during the second half. A first interim gross dividend of 6 per cent has been declared.

HK lifts bank licence minima

By Robert Cottrell in Hong Kong

THE Hong Kong Government has raised its minimum criteria for banks seeking licences to operate in the territory. For banks incorporated outside Hong Kong, total assets net of contra items should now exceed US\$12bn. The former minimum was US\$10bn. Applicants incorporated in Hong Kong are required to show total assets net of contra items of HK\$2.5bn (US\$410m). Deposits from the public should exceed HK\$1.75bn. Previously, the requirements were set at HK\$2bn and HK\$1.5bn respectively. These changed criteria do not affect banks already operating in Hong Kong, but only those seeking licences.

Hoechst

Aktiengesellschaft

Report on the 1st half-year 1982

In most countries the demand for chemical products continued to be unsatisfactory during the 2nd quarter 1982. Sales of Hoechst Group in the 1st half-year amounted to DM 17,920 billion. This is an increase of 4.5%, the rise in volume of goods sold being 3%. Due to changes in the exchange rates, especially in Western Europe, the increase in sales shown is somewhat lower on a computed basis than is the case with a comparison in local currencies.

Business abroad rose by 6.4%. This is where the growth in volume of goods sold was achieved. A favourable trend was registered in Western Europe and South America. Our business was also affected by the recession in the USA. In the Federal Republic of Germany we were not able to attain the same level of sales as in the same period last year.

Above-average contributions to sales growth were made by the technical information systems, surfactants and auxiliaries, dyes and pigments and pharmaceutical divisions. In the fibres division, business development at the Western European production plants was encouraging. It was not possible in the USA to repeat the good results achieved last year. No improvement has taken place in plastics and organic chemicals. Profit before taxes fell by 20.5%. The earnings situation in the USA and some Latin American companies is unsatisfactory, as well as in companies engaged in the petrochemicals and plastics sectors.

Sales of Hoechst AG rose by 4.3% to DM 6,364 billion. The increase in the Federal Republic of Germany is due to price changes. In export business, there was an improvement in terms of volume of just over 2%. It was not possible to further raise the level of our sales prices, as we had been able to do in the 1st quarter. Capacity utilization in the 2nd quarter remained at the same level as the previous year, namely 79%. Inventories are higher than at the beginning of the year. Profit before taxes declined by 13.1%. There was, in particular, a reduction in the income contribution made by the affiliates.

The number of employees as at 30.6.1982 rose by 139 to 60,751; the increase results from the higher number of trainees. Personnel expenses rose by 6%.

The summer months have yet to show any improvement in the economic trend.

	1st half-year 1982		1st half-year 1981		Half-year average 1981		Changes in % compared with 1st half-year 1981	
	1982	1981	1982	1981	1981	1981	1982	1981
Total	17,920	17,150	17,216	17,216	17,216	+ 4.5	+ 4.1	
Fed. Rep. of Germany	4,780	4,785	4,752	4,752	4,752	- 0.3	+ 0.6	
Abroad	13,140	12,365	12,466	12,466	12,466	+ 6.4	+ 5.4	
Profit before taxes								
DM million	588	702	584	584	584	-20.5	- 4.5	
in % of sales	3.1%	4.1%	3.4%	3.4%	3.4%			

	1st half-year 1982		1st half-year 1981		Changes	
	1982	1981	1982	1981	absolute	in %
Total	6,364	6,071	6,116	6,116	+ 4.5	+ 4.1
Fed. Rep. of Germany	2,889	2,787	2,775	2,775	+ 2.9	+ 3.4
Abroad	3,485	3,284	3,341	3,341	+ 6.4	+ 4.6
Export percentage	54.9%	54.1%	54.6%	54.6%		
Profit before taxes						
DM million	365	420	359	359	-13.1	+ 1.7
in % of sales	5.7%	6.9%	5.9%	5.9%		
Employees						
1st half-year 1982	60,751	60,592				
1st half-year 1981						
Personnel expenses in DM million	1,723	1,625			+98	+ 6.0
(excluding pension funds)						
Number of employees as at 30.6.	60,751	60,592			+159	+ 0.3

Frankfurt am Main, August 1982 The Board of Management

Tooth profits boosted by sales of public houses

BY OUR SYDNEY CORRESPONDENT

TOOTH AND CO., the New South Wales Brewer, which is effectively controlled by Adelaide Steamship, has reported consolidated operating profits for the 15 months to June 30 of A\$25.06m (U.S.\$24.06m). Profits after tax were A\$19.12m compared with A\$12.66m for the 12 months to March 28, 1981. The company also earned extraordinary profits of A\$41.71m in the 15 months, making total net earnings of \$60.8m. The extraordinary profits were generated mainly by the sale of 137 public houses and other fixed assets. The company at present owns 350 public houses in NSW. The final dividend is 10 cents per share, which with two previous interim dividends, makes a distribution of 30 cents per share for the 15-month period. The group has changed its financial year because of investments in other Australian public companies. Its investments include 48 per cent of E. C. Sleigh, 44 per cent of National Consolidated, and 92 per cent of P.D.S. Rural Products.

Record jump in trading surplus for Gold Coin

BY OUR SINGAPORE CORRESPONDENT

GOLD COIN, the major Singapore animal feed miller, chalked up a record rise in earnings for the half year ended June and has decided to reward shareholders with a scrip issue of one share for every five held. Group trading profit was almost 44 times higher than previously at S\$11.5m (US\$5.3m) and profits after minority interests were almost eight times higher at S\$8.55m. There was also an extraordinary surplus of S\$5.8m from the sale of the company's premises in Singapore's central business district. Turnover rose by 13 per cent to S\$151m. The group enjoyed a substantial improvement in trading margins because of lower raw material costs and higher sale prices. The gross interim dividend is 6 per cent.

ENERGY RESOURCES & SERVICES INCORPORATED

Net Asset Value
31st August 1982

\$6.77

per share (unaudited)

STOCKHOLDERS FAR EAST INVESTMENTS INC.

Net Asset Value
31st August 1982

\$1.59

per share (unaudited)

LONDON AMERICAN ENERGY N.V.

Notice to Shareholders

A distribution of \$50 per share was approved by the Directors of the Company on 10th September 1982 and is payable on 15th November 1982.

Payment of distributions on registered shares will be made in dollars to or to the order of holders of record on 4th November 1982.

Payment of distributions on bearer shares will be made in dollars by cheque or by transfer to an account maintained by the payee with a bank in New York City against presentation of coupon number two at the offices of J. Henry Schroder Wagg & Co. Limited, 120 Chesapeake, London EC2V 6DS or J. Henry Schroder Bank & Trust Company, One State Street, New York 10015 or Banque Générale du Luxembourg S.A., 14 Rue Aldringen, Luxembourg.

London American Energy N.V.
14th September 1982.

Sociedad Chilena de Lito Ltda.

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Footo Mineral Company and Corporación de Fomento de la Producción

U.S. \$30,000,000

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The First National Bank of Chicago
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Banco de Chile

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European Banking Company Limited

July 1982

This announcement appears as a matter of record only.

NEW ISSUE September 3, 1982

\$10,000,000

Kollmorgen Corporation

Convertible Subordinated Debentures Due 1997

The undersigned acted as financial advisor to Kollmorgen Corporation in the direct placements of the above securities.

The First Boston Corporation

FINANCIAL TIMES SURVEY

Tuesday September 14 1982

Advance Factories

The government has had considerable success in attracting private capital into the factory building programme. But in the private sector even better results might have been achieved with a more unified approach.

WITHIN THE next three or four weeks the first factories on a small development in Merthyr Tydfil undertaken by the Welsh Development Agency will be completed. The agency is just putting the finishing touches to 12 units on the Cyfarthfa Industrial Estate and already it has had inquiries about three of them.

The Cyfarthfa Industrial Estate is a microcosm of what is happening throughout the whole of Britain. The estate takes its name from, and is on the former site of, one of the oldest ironworks in the world. The original Cyfarthfa works made the cannon used by Nelson at Trafalgar. But the works closed in the 1920s and was converted into an aircraft factory during the war. More recently it made toys for Triang.

Now the factories, which range in size from 4,500 sq ft to 35,000 sq ft, are intended to bring work to an area that has been hard hit not just by the recession but more fundamentally by the enormous structural changes which Britain has sought to come to terms with over the past 30 years.

The advance factory building programme is a vital arm in the search to find more modern sources of production, provide employment and create an industrial Britain capable of meeting the needs of the next century rather than the last.

That programme, however, is unfortunately not being conducted in any unified way. In Scotland and Wales the factory programme is the responsibility primarily of the development agencies but areas with development boards, such as Mid Wales and the Highlands and Islands,

are autonomous. In Northern Ireland factories come under the Industrial Development Board and in England they are the responsibility of the English Industrial Estates corporation. This split is also reflected to some extent in aims. In the last two years the EIE has been given a lot more commercial responsibility; it has been told to draw up its own plans, bring

social reasons without setting a rate of return. But it has only once exercised this option—on a 20,000 sq ft factory in Scunthorpe—and has to meet the cost. The involvement of private capital in the factory-building programme has been very successful. In England last year the EIE had a budget of £40m of

which £14m was accounted for by sales and private capital. This sum is expected to be slightly lower this year—probably about £84m of which £11m will be raised externally. The problem in England has been to get the institutions interested in properties within the development areas.

If the EIE can get a return of 8-9 per cent in an intermediate area, the institutions can be interested in a project because they go for rental growth rather than capital appreciation. But the corporation admits it is much more difficult to get them interested in special development areas or development areas.

Out of the £14m handed back to the Government in 1981-82 the corporation estimates that some £3m of this came via private capital. This indicates a fair measure of success.

In Wales the WDA has co-operated with Norwich Union in projects at Bridgend costing £5.5m which involved 38 factories. By the end of financial year 1981-82 13 of these had been let or reserved. At the same time, CEN Properties, the company holding the property investments of the NCB pension and superannuation funds, had been in-

involved in projects at Cardiff, Barry and Swansea. The NCB pension fund has also been active in Scotland, especially in Glasgow. Sales and private sector involvement are estimated to have raised between £5m and £6m last year towards a spend on advance factories, including site development, of £20m though approximately £3m more has been spent on refurbishments which in effect produce new factories.

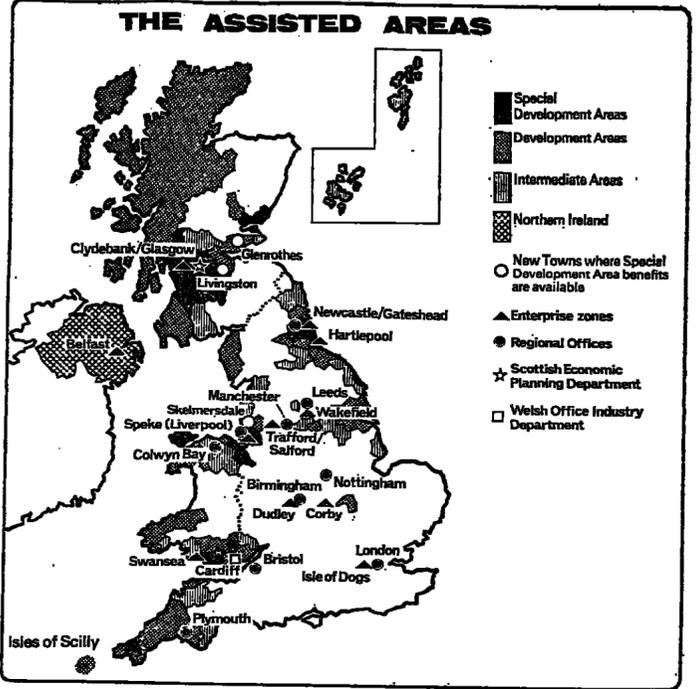
The unemployment factor has not been ignored, of course, in England. The first criterion for the allocation of any new building programme is the level of unemployment in a travel-to-work area. But it is not the sole criterion. The corporation also takes into account the level of vacant property in that area.

Given these two factors the corporation expects its regional managers, all of whom are professionally qualified, to make recommendations for building on the basis not only of the financial factors involved. They must estimate the building costs, likely rent roll and the possible period before a building is occupied.

When all these have been costed out the manager must turn them into a forecast return on capital and, as a further check, the corporation then exercises a two-year rule. That is, if there is an amount of property available which will take two years to fill then no further building goes ahead until that period has elapsed. Such a check is in operation in Liverpool and parts of Merseyside, which is well supplied with factories of all sizes.

Contrast this with both Wales and Scotland where massive projects have been put forward in steel-closure towns such as Cardiff, Port Talbot, Shotton and Glasgow. In Wales, for instance, 2.48m sq ft of industrial premises and new factory space were added last year, following massive Government subvention.

This has led to an enormous amount of factory space coming onto the market, much of which is sticking at the moment. In Wales, for instance, there is about 2.5m sq ft of available space but after what has been described as two years of the heaviest development programme undertaken by any property developer in Europe



Building for the future

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

Regional Aids

Special Development Areas 22 per cent on new plant and machinery. 22 per cent on new buildings.

Development Areas 15 per cent on new plant and machinery. 15 per cent on new buildings.

Intermediate Areas No grants but selective financial assistance available.

Northern Ireland Industrial development grants of 30-50 per cent of the cost of new buildings, machinery and equipment. Grants towards start-up costs; factories rent-free for up to five years; interest relief grants; training grants; help for transferred workers; R & D grants of 40-50 per cent (max. £250,000).

Selective financial assistance

This may take the form of project grants, training grants or guarantees against exchange losses on loans from the European Investment Bank and the European Coal and Steel Community.

Other assistance

This may include rent-free periods for factories, aid to companies in the mining industry, grants up to 50 per cent of the capital cost of a tourist project or interest relief grants. Other assistance may be available. Regional office of the Department of Industry in England should be consulted or the relevant departments in Scotland, Wales and Northern Ireland.

Enterprise zones

Assistance includes: 10-year rates holiday (excluding water rates). No development land tax. 100 per cent allowances on new buildings. Speedy planning decisions.

CONTINUED ON PAGE V

British industry never looked better.

In Milton Keynes you will find some of the smartest, most innovative industrial units anywhere in Britain. And in them you will already find some 450 of the country's smartest companies. The units are purpose built in sizes from 500 to 50,000 sq. ft. and are easily adapted to the needs of most manufacturing or service industries. They are in an ideal spot for any fast developing business - a few minutes from the M1, 30 minutes from London or Birmingham by train. FIND OUT MORE ABOUT UNITS IN MILTON KEYNES. CONTACT THE COMMERCIAL DIRECTOR ON (0908) 74000.

ADVANCE FACTORIES II

Marketing is likely to become increasingly important to boost demand, particularly against the competition of enterprise zones

Surplus factory space over most of the country

A YEAR ago, industrial allowances were a major topic when the development of advance factories was under discussion. The Government, in trying to encourage the development of small units, introduced a series of specifically designed tax incentives which only succeeded in raising the temperature of the market.

Private developers regarded the incentives variously as helpful, dangerous, too limited in their application, a tax dodge, or even another blot on the economic management of the country. In the spring 1982 budget the factory definition was broadened to encompass processes and storage facilities associated with manufacturing; that applies to any sort of factory building, anywhere in the UK.

In addition, the definition of "nursery units"—small, starter factories—has been refined downwards in tax terms from 2,500 sq ft to 1,500 sq ft. The 100 per cent IBAs will apply to these from only the spring of next year.

Pertinent

However, the facts that 75 per cent IBAs apply to all factories, that time is fast running out for the 2,500 sq ft nursery unit tax allowances which end next March and that mini-nurseries are viewed with some reserve has served to concentrate private developers' minds on more pertinent matters—such as whether demand does, or will exist for what is being built at the moment.

"Demand is not good," says Wallace Mackenzie, managing director of major developer Slough Estates. He points to the King and Co industrial floor-space survey in which the agents calculated total space available at 159m sq ft in mid-April of this year compared with 53.8m in December 1979.

However, there is still quite a lot of new speculative industrial space being built, mainly in the south east where demand

is either seen to exist or anticipated next year when, hopefully, we will have some recovery under way."

That seems to be the silver lining. In the rest of the country Mr Mackenzie notes "very special deals, very substantial inducements," such as longer and longer rent-free periods for companies moving into a development.

At the other end of the corporate and public scale, Mr Mackenzie's views on the geographical character of the market are supported by Denora, the East Anglian developer which secured a quotation on the new Unlisted Stock Market earlier this year. Operating in Norfolk, Suffolk, Cambridgeshire and Essex, Denora is at the "right" end of the country. Colin Holmes, the company's managing director, is clearly a fan of keeping it simple.

His company, he says, does a certain amount of research before it builds, looking for the right places in towns with at least 10,000 of a population "and preferably 100,000 and upwards."

His sites range from two acres to eight or nine and the market call in his area, he adds, is quite clear: units of between 1,500 and 2,500 sq ft are what it wants.

Demand, he says, is not buoyant. But it is steady. "We have to go out and catch part of the market," he says, echoing Wallace Mackenzie's view that marketing, and producing for the market, is going to be more important than now on.

There is a practical limit to Denora's interest in IBAs "We have £3m locked up in tax credits for IBAs already granted," says Mr Holmes.

Given that Denora made £230,000 of profits last year, and that as a matter of policy it retains all that it builds for its own investment portfolio, allowances can afford to take a back seat in its calculations for some time.

Were Denora to change its policy and build for an investment fund, says Mr Holmes, of course it would have to take allowances into its thinking.

Denora builds between 150,000 and 200,000 sq ft a year in its area (to get an idea of scale, it is worth pointing out that Slough Estates has nearly 3m sq ft ready, or nearly ready, spread over the country in the north as well as in the south).

The company is advised that almost all of its tenants have qualified for IBAs. It tends to plump for sites of between two and four acres, building 20,000 sq ft an acre, the majority of its tenants being "quite labour intensive."

"The extension of 100 per cent IBAs to smaller units has not affected our thinking very much," says Mr Holmes.

"The smaller you go, the more risk you are taking. With units of under 1,000 sq ft, up to 20 per cent of the inquiries we get are for a couple of fellows mending cars—not the best covenant in the world."

Further north Mr Allan Campbell Fraser, chairman of the Glasgow-based Developments Commercial and Industrial (Holdings), gets quite heated about Government intervention into his territory.

Enterprise zones are his bete noire—"putting an area on national assistance," he says, pointing out that DCI, which makes a profit just short of £1m, has let a lot of sq ft at market

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rents to companies which are commercially viable.

It is a matter, he says, of building the space in the right place, not in the wrong place which just happens to have Government incentives, rent-free periods and the like.

DCI has spread its wings into other types of property lately. In the past two years, it has had three major industrial projects, adding up to 366,000 sq ft of which a relatively tiny proportion qualified for IBAs.

"Much of the property overhanging the market," says Mr Fraser, "is clearly redundant, wrongly located, designed and constructed."

"There is not much of an overhang which is purpose built for the present day."

Occupation

Back among the really big boys Mr Andrew Nichols, financial director of Brixton Estate, says his company had curtailed construction for some time but that it is now in the process of putting up 450,000 sq ft for occupation, mostly after next March.

Warehousing will account for "just slightly more" than factories but Brixton is aiming to change the pattern at Bemel Hempstead with nearly 200,000 sq ft of potential high technology space.

Mr Nichols says the bulk of Brixton warehousing attracts IBAs because of its industrial use.

Like Denora, Brixton is not keen on tiny units. "We are looking for an investment at the end of the day, not a trading asset," says Mr Nichols.

Unlike Denora, Brixton builds at the top end of the scale. Leases on its major Woodside estate at Dunstable average 40,000 sq ft, within a total of 1.75m sq ft on a 100 acre site.

Mr Nichols accepts that companies like his own and Slough are taking a risk on industrial recovery. As a financial director, however, he points out that property companies are more soundly based financially than they were six, seven or eight years ago.

William Cochrane

Taking a lesson from Canada

WALLACE MACKENZIE, managing director of Slough Estates, seems remarkably phlegmatic about the current depression in the UK industrial property market; but he is the product of a more testing environment.

Mr Mackenzie joined the Slough Estates group at its London office in 1950. In 1952 he was appointed general manager of Slough's new Canadian subsidiary company, based in Toronto. For the next 20 years he directed the affairs of the Canadian subsidiary and expanded its portfolio to 16 per cent of total group assets.

While Mr Mackenzie was responsible for all of Slough's North American affairs, the group focused almost exclusively on Canada in those years. "Canada is still the biggest overseas investment we have," he says. "It is still the most progressive and competitive market for industrial space—a market where actual supply and potential supply has always been more than enough to satisfy demand."

In the 1950s, 1960s—and for that matter, in the 1970s as well, at any one time in the Toronto market you would be able to look at 20m sq ft of modern, vacant industrial space for a population of 3m people." Mr Mackenzie emphasises that this ready supply, coupled with a substantial surplus of industrial land ready for development, was regarded as a net gain, and not something to panic about.

In the UK making some rough calculations from the mid-April 1982 industrial floor-space survey from agents King & Co, space available in premises not more than 10 years old looks to be somewhere around the 60m sq ft mark. "Divide that by a British population of over 50m and our modern space is still very small potatoes," Mr Mackenzie points out.

So Canada was always a buyers' market. To succeed there, Slough had to provide something extra, not too much, Mr Mackenzie implies. "Something a little bit better, different, more economic than the competition."

Most industrial land prices there were modest by UK standards. The level is about £40,000 to £50,000 an acre at the moment; the UK can be four or five times higher. Construction costs, too, are about £7 to £8 a foot at current rates of exchange. In Britain, they are nearly twice that.

What was important about all this and to Mr Mackenzie in particular, was the attitude which this engenders in a developer, understandably under pressure in Canada always to do it a little bit better. "At Slough," he says, "we have been endeavouring to act in the developer's role as though Canadian pressures existed in this country."

"We believe that in the UK we are now getting to the stage where the quality and economy of what you are offering are absolutely essential elements in getting the property leased." An important part of his role, Mr Mackenzie says, is to try to impose these criteria on Slough's UK activities.

"Right now, and in the future," he says, "it is going to be necessary to do it better in order to prosper."

Told that he sounded more like a Sainsbury than a Slough in this context, Mr Mackenzie concurred—and, characteristically, made capital out of it. "Sainsbury is a market-oriented business," he remarks. "In property, traditionally, planning restrictions assured the developer that if he had a scheme approved, it would be the only one around. It is not like that in industrial property, now or in the foreseeable future."

Life, of course, is not all new development. His company's largest single asset is Slough Trading Estate—arguably the best industrial location in the country—where Slough Estates has finished its development, apart from one small site.

"Our task all the time is to make this better by rebuilding, refurbishing and remodeling, improving the amenities, roads, landscape and aesthetics," he says. "Appearance is important, but the whole ambience of the place is what really counts."

Mr Mackenzie is not being simply altruistic. If people want to locate in a tight market as they do, say, in the City of London, the quality of the portfolio will tend to rise and rents along with it.

So when he says that people will respond positively to property being maintained well with attractive surroundings, he also means that Slough will be able to expect more money from it—more money which it can spend on development at another time.

William Cochrane



Aerial view of South Neumoor advance factories at Irvine New Town, in Scotland

EIE finds small units still moving well...

THE EXPERIENCE of the English Industrial Estates Corporation over the past two years has mirrored in some ways the economic recession. Helped by the more aggressive commercial role it has adopted over that period, however, its performance in letting advance factories has been better than might have been expected.

The corporation, which is funded by the Department of Industry, the Development Commission and the private sector, exists to provide and manage industrial and commercial sites and premises.

Its capital expenditure in the year to March this year was £40.4m, £3m up on the previous year. Capital receipts, remitted to the Department of Industry, totalled £8.6m, compared with £3.6m in 1980-81.

The corporation says the jump in receipts mainly resulted from success in obtaining private sector investment in new developments which would otherwise have been funded entirely by the Department of Industry.

Demand has been brisk particularly for smaller premises from both manufacturing and services. Advance factories built by EIE and occupied up to March numbered 368, as against 243 the previous year.

The total floor space this represented was the same, however, for both years, at just over 130,000 sq metres. Additional custom-built floor

space occupied during the periods fell from 34,000 to 16,000 sq metres.

The number of advance factories completed was 402, as against 283 the previous year.

The corporation now builds very few units above 5,000 sq ft because the market for larger areas of floor space is weak. Its stock, however—built up since the late 1930s—includes a wide range of premises up to 100,000 sq ft.

Mr James King, the corporation's economic adviser, says that since March this year demand has been, if anything, brisker.

On the other hand, more companies than ever before last year vacated properties. Since March departure levels have improved, but not greatly.

Inevitably the premises being vacated are the bigger ones—from 15,000 to 50,000 sq ft—and the corporation finds it difficult when it tries to relet or sell them.

Some of these plants could be converted into smaller units but Mr King says this is often uneconomic.

A third alternative is to demolish them and the Corporation now has a more extensive demolition programme—often involving redevelopment—than ever before. The programme will be especially evident in the north east, which has a big element of older properties.

The corporation says that its demolition programme essentially involves buildings

which are, in any case, too old to be of real service to industry.

It is an uphill task to dispose of assets to tenants or private investors. The corporation, however, has concluded arrangements through which the four major clearing banks provide finance for new and existing occupiers wanting to buy premises from EIE.

Average rents have reached £1.35 per sq ft a year on new factories. Those for big new premises and for older buildings can be considerably under £1 per sq ft.

The average rent on new factories let during the last financial year was 6.5 per cent up on the previous 12 months. Gross rents rose by 14.5 per cent to £11.8m.

The rise in rents, together with lease renewals and rent reviews on existing leases, was more than enough to offset the loss of rental income from lease terminations and failures among tenants.

By March, the EIE portfolio looked a healthy one. It had 362 sites in possession and was leasing off 1,420 units, with the total space of 1.73m sq ft. It had 800 premises under construction but another 800 which were vacant and not leased.

Vacant premises and those under construction, but which were reserved for tenants or purchases, totalled 212. Total fixed assets at historical cost was listed at £245m.

Nick Garnett

... thanks to greater freedom of commercial manoeuvre

MAJOR changes in the role of the English Industrial Estates Corporation and attitudes towards that role, have derived over the past two years from two sources: legislation and the appointment of a new chief executive.

Until the beginning of this decade, a large element of the decision-making on what factory premises were to be built by the corporation and where, was taken within the Department of Industry.

New legislation has removed much of the "agency" role from the EIE, which has now been given much greater independence. The corporation takes most of its own decisions on investments within general guidelines set by the department. This change broadly coincided with the appointment, in October 1979, of Mr Anthony Pender to the position of chief executive of EIE.

Mr Pender, aged 46, a Cambridge rugby "blue" who also played back row forward with Cardiff, came from the



Anthony Pender: commercially-minded chief executive

Welsh Development Agency, where he had been a commercial director. Before that he worked for the British Air-

ports Authority and the Inland Revenue's Valuation Office.

These two developments have produced a much more outgoing, commercially-oriented body, the process towards which has been fostered by Mr Pender among the more than 300 staff.

The corporation has been operating under his much more as a commercially-minded property organisation marketing its own available floor space. The corporation argues that this more effective marketing accounts above all else for its success in raising the number of units let during the past year in an unfavourable economic climate.

At the same time, the corporation has been mounting a major effort to rationalise its activities—fostering responsibility for a large part of the nitty-gritty decision-making on its regional personnel. It has six main regional offices and half a dozen other smaller outstations.

Nick Garnett

"Small firms vital to Britain's recovery"

- A.B.R. Chemicals Ltd (Employees 30), Anyport Ltd (50), Barnaby Adams & Partners (6), Custom Electropainting (6), Daylight Technical (Corby) Ltd (9), Duvon Products Ltd (3), E.A. Builders Ltd (4), G.H. Builders Ltd (1), H.S. Theomoplastics Ltd (6), Lambingdale Ltd (23), Le Col Ltd (8), Lydella Motorcycles (C), Neimonia Oliver & Associates Ltd (6), Northampton Fashion Ltd (35), Parnell Reform Ltd (29), Brian Palfrey Design Ltd (5), Ryan Pipe Ltd (6), Ryemill Ltd (4), Salford Photo Works (3), Simons Ltd (23), Stamford Waste Disposal (27), Stone Ltd (27), Slough Enamellers (6), Fibreoptic Ltd (2), G.M.C. General Fabrications Ltd (2), Thomas Alan Builders Ltd (4), Unit 2 Glass Ltd (10), Ventrac Engineering (25), Wilkins Motors (3), Ambrose Wholesalers Ltd (6), Apex Glass (10), B.S. Building Products Ltd (10), Canonic Development (19), Computer Supermarket (3), Corby Panel Ltd (2), C.P. Panels Ltd (2), C.P. Panels Ltd (2), C.P. Panels Ltd (2), Goldway Ltd (20), Interdecor (3), Deltic Tubes (5), Mekas & Co Ltd (50), P.C. Panels Ltd (10), Polar Windows (30), Process Instrumentation Control Services (2), East Midlands Waste & Recycling Ltd (1), Factor Enterprises Ltd (30), J. Miles (10), J. Miles (10), Andrew Reed Wire Supplies Ltd (1), West Midlands Wire Supplies Ltd (1), Concorde Structures & Progresses Ltd (20), Robert Fibres Ltd (26), Farmhouse Ltd (30), G.P. Chemicals (London) Ltd (30), Carbond Moldings Ltd (10), Creative Washing Products Ltd (40), Royal Rawlatts (Corby) Ltd (50), Corby Cement (10), Gifffield Engineering Ltd (2), H.C. Quality (Corby) Ltd (30), Custom Forming Industries Ltd (7), Fodor Business Design Associates (3), Johnson (2), D.R. Holley Alison Ltd (23), Spoton Ltd (2), Inverclyde International Ltd (20), Salford Glass (10), Kettering Sign Roofing (3), H.W. Motors (1), Coker, Kitchens (5), Battersby (1), P.C. Panels Ltd (2), P.C. Panels Ltd (2), Ring-Dee Ltd (2), Slough Wallpapers (2), W.K. Stevens (2), Catowell Toys & Sports Ltd (2), E.T.C. Ltd (20), Hydrogen Ltd (40), Security Installations (M.K.) Ltd (10), Tappets Ltd (10), C & J Engineering (2), Quenford Products (1), M.P.C. (12), Panther Products (5), Republic Frames (2), Slough (10), Table Press (16), Co-Code Aerocore (12), Colliking (50), Groverer Electrical Services (3), A.B.R. Chemicals Ltd (Employees 30), Anyport Ltd (50), Barnaby Adams & Partners (6).

If your small business isn't listed here perhaps it should be. Phone Fred McClenaghan on 05363 62571 and find out how Corby could work for you.

"We were just about ready to admit defeat. And then we discovered Central Lancashire"

by Alan Thorpe, Managing Director, Holbro Steel Tubes Ltd.

"In late 1979, two friends and I decided to set up our own steel stockholding business. Had we known what awaited us, I think the three of us would have stayed in our nice, comfortable, salaried positions. We gave up our jobs early in 1980. And spent the next six months in a frustrating, fruitless search for premises. We saw old properties, often with poor access. New properties, which were frequently too expensive.

We saw people who wanted us to give financial guarantees to the year 2005. People who didn't want us because we weren't a manufacturing business.

Finally, late in June 1980, I saw an advert for the Central Lancashire Development Corporation. Expecting miles and miles of road tape and months of delay, we went to see them one Friday morning.

Three working days later, we moved into our new, 3,000sq.ft. CLIX factory at Roman Way, Preston.

Today, our factory is double that size. We're planning a move to a 20,000sq.ft. unit.

And we employ 7 people, all of whom were unemployed or redundant before we came along.

It's my belief that without the Development Corporation, our business would never have got off the ground at all!

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Handwritten signature or note at the bottom of the page.

Handwritten note in a box: "K. M. Jones"

Wales launches new programme

ADVANCE FACTORIES in Wales amount to more than just providing industrial premises in locations which find it difficult to attract private investment. They have been elevated into a major instrument of industrial and regional policy.

In the financial year ending March last, the Welsh Development Agency (WDA), completed no fewer than 456 new advance factories, amounting to 2.45m sq ft of new space. This was more than the Agency completed in the whole of the previous five years of its existence, when it added 290 factories, or 1.86m sq ft, to the property portfolio inherited from its predecessor the Welsh Industrial Estates Corporation. For the moment the Agency's construction programme has turned the WDA into the biggest single industrial property developer, certainly in the UK, and possibly Western Europe, and sharply increased its total stock of factory space to close on 20m sq ft.

The main reason for this burst in advance factory building was the dramatic loss of

jobs in the Welsh steel industry two years ago.

The precedent had been set by the previous Labour Government, which gave the WDA principal responsibility for tackling the difficulties caused by the closure of the British Steel Corporation's East Moors, Cardiff, steelworks and the rundown of iron and steel making at Ebbw Vale. Major new industrial estates and a sizeable stock of advance factories are still in the process of being developed at both localities.

Although the Conservatives were less than enthusiastic about the WDA at its inception in 1975, having arrived in Government they too chose to use the WDA as the principal body for tackling the economic crisis in areas hit by the fresh steel rundown of the early 1980s.

Shotton, in North Wales, received a special allocation of £15m following the end of steel-making there, much of it going into new industrial units and infrastructure on Deside, the Wrexham industrial estate and in other parts of north-east Clwyd. Similarly, the rundown of employment at BSC's Port

Talbot and Llanwrn steelworks resulted in the earmarking of an extra £48m in Government aid over two years towards industrial estates and advance factories. Subsequently the Agency has been required to introduce a further £8m special programme in the Llanelli area to compensate for the closure of the Dupont steel works.

The WDA has also responded to pleas for advanced factory premises to be built in parts of Wales not immediately hit by the steel crisis. It has launched a sixth general construction programme in the past year. This involves the building of 78 advance factories totalling 360,000 sq ft at 15 locations, predominantly in rural areas. For the first time the Agency is developing small workshops in countryside locations, some in converted buildings to blend into rural settings.

£5m deal

Not all the Welsh advance factory construction has been wholly at the taxpayers' expense. A £51m deal with the

Norwich Union Insurance Group has resulted in 38 advance factories being built on the Agency's Waterton industrial estate at Bridgend; a £3m deal with CIN Properties has underpinned the construction of 36 nursery factories at Cardiff, Barry and Swansea.

In addition, the WDA last year raised more than £5m from the sale of factories, mostly to tenants, and from the disposal of land to help finance its activities. Negotiations about further property sales to both tenants and potential investors are continuing. The agency's annual report forecasts that these negotiations could yield more than £7m over the next two years.

Property consultants Healey and Baker were recently re-appointed as the Agency's advisers for a further two years. They also represent the WDA in its dealings with leading financial institutions.

The recent scale of the WDA's advance factory building effort would clearly have become questionable but for the conspicuous success in finding tenants for the WDA's mounting stock of new properties.

But thanks to the Agency's power to back the construction programme with a vigorous marketing effort, no fewer than 218 factories totalling 1.37m sq ft were let during 1981-82. This was double the number let in the previous financial year—and no mean achievement given the current economic climate.

Even so, the rate of lettings was not sufficient to prevent an increase in the Agency's stock of unoccupied premises. These increased from 7 per cent to 14 per cent of its overall portfolio during 1981-82. As a result the Agency has said it intends to "rein back" the rate of construction, at least until there is more of a recovery.

Meanwhile new design standards for advance factories have recently been produced by the Agency, with the aim of providing units to suit a wider range than hitherto of manufacturing, distribution and service industries. Wales must remain in a position to offer a competitive range of industrial premises to meet all requirements if it is to make significant inroads into its current high level of unemployment.

Robin Reeves

Welcome advice surgeries in rural areas

THE RESULTS of the 1981 census published earlier this year showed that for the first time in a century the population of mid-Wales recorded a definite increase. There is little doubt that the work of the Development Board for Rural Wales has played a significant role in turning the tide.

The DBRW was founded just over five years ago with a budget of £6m (now some £9m) to tackle the age-old problem of depopulation in the five Welsh rural districts of Montgomery, Meirionnydd, Ceredigion, Brecon and Radnor. It took over the functions of the Mid-Wales Development Corporation, which was charged essentially with developing Newtown—one of Wales' two new towns—and Cosira's activities within the region. It also acquired some new duties.

Starting by taking over responsibility for the 36 Welsh Development Agency advance factories within its area of operations, the DBRW now

owns and manages 263 factories totalling over 2m sq ft which provide an estimated 6,700 job opportunities.

The Board's programme includes construction of a further 59 factories totalling 131,500 sq ft. New factories or extension projects are to be completed at 17 locations. As Newtown approaches its target population increased emphasis is being given to the Aberystwyth and Llandrindod Wells/Rhayader/Builth Wells growth areas.

Allocated

A measure of the Board's success is that despite the recession in the 1981-82 financial year, 67 factories were allocated to tenants promising 800 new jobs. From August 1 assisted area status was withdrawn from large parts of the Board's operating area as part of the Government's regional policy changes. However, it has been given a £350,000 grant facility to compensate and details of how the facility will benefit advance factory tenants

will be published in the autumn as part of a marketing drive.

In the past, the Board has been greatly helped in its task of finding tenants for its factories by its unique power among development agencies to build houses for key workers and even the entrepreneur himself. This has enabled the Board to satisfy the requirements of the aspiring new businessman for whom the only source of initial capital is the sale of his or her house.

Also, because from the outset the Board had to think small, it pioneered the construction of small starter or nursery units of as little as 250 sq ft.

The DBRW has always seen its economic responsibilities as going way beyond the mere provision of premises. It provides tenants with a comprehensive business advisory service. Recently it introduced a system of advice surgeries with dates and venues advertised in advance. The 100 surgeries attracted 200 people.

Robin Reeves

Scotland sees carrot as vital

IN SCOTLAND more than any other region of Britain, a co-ordinated programme for promoting industrial development is in operation. Advanced factories are very much part of the notion.

The plan is a deliberately loose affair. It provides a framework of economic aspirations designed to encourage certain industrial sectors which show promise of growth in the region. The battery of Government aids is used to get things moving.

The advanced factory programme is seen by the Scottish Development Agency, the Government's industrial promotion body for Scotland, as a crucial carrot to encourage entrepreneurs to invest.

Some factory projects are guided by their location and size. Units have been built at a science park next to Glasgow University, for example, spec-

ically to nurture high technology companies.

These are small, neat units of several hundred square feet designed to fit the needs of first phase ideas in their research and design stage.

Other larger units are planned as part of an industrial regeneration programme for Dundee. SDA consultants see the provision of bigger factory units as suitable for the second phase commercial development of ideas coming from the science parks.

Flexibility

But the advanced factory is there to suit the customer so flexibility is intrinsic to the plans of Mr Ray Bleasdale, the agency's director of estates and environment, who is in charge of factories policy.

The agency is the region's largest landlord. It owns 26m

sq ft of factory space throughout Scotland—a total of 1,539 individual factories.

But being the biggest landlord is no virtue, says Mr Bleasdale. Increasingly the agency would like to see the private sector take a greater role in the provision of advanced factories.

The private sector has up to recently fought shy of extensive factory building. But during the past year the first steps have been taken to bring it into development and financing.

In an industrial regeneration programme for Leith, the port district of Edinburgh, the SDA withdrew from part of its factory building plans to allow one developer, the Smart Company, based in Scotland, to take on some of the work.

The opening in July of a £500,000 factory development at Ayr, north harbour, which marked the 4m sq ft of indus-

trial space built by the agency since it was set up in 1975, was the first results of the involvement of private financing in factories. Finance for the project was supplied partly by IBOS Finance Limited, part of the Bank of Scotland group.

The first hurdle for Ray Bleasdale and the agency has been to win the confidence of the private sector in factory building. This has been done by the protection offered through the involvement of the agency.

Private developers and financial organisations are brought in through shared rents or through lease-back arrangements with the agency.

The agency has resisted the predictable desire from developers for long leases. It is pushing for short leases because these encourage tenants to constantly review their space requirements as they expand.

The agency uses its own assessors to set rents. Their job is not easy. They have to determine rents in marginal areas which need to pull in new industry through cheap accommodation at the cost of a poor return on capital and then allow more market price orientation for factories which are sited closer to more promising areas.

New factory construction and the preparation of industrial sites account for 27 per cent of the agency's expenditure in the year. By the end of March 27 factory transactions had been made for the year—a 25 per cent increase over the previous year's transactions.

Lets topped 200,000 square feet in July. Fiber materials of the United States took a factory in Galashiels in the borders and Dynamit Nobel also took space in the borders.

The agency builds for both the manufacturing and service sectors. The bias in favour of manufacturing has been eroded as the service industries have gained strength in the region.

The SDA has its own team of designers and architects for its factory programme but they only work on about 20 per cent of the programme.

The designers have concentrated on producing flexible units which can easily be subdivided. Attention has also been given to energy savings.

The advanced factory programme applies to the central and north east regions of Scotland around Aberdeen, but not the Highlands which has its own programme run by the Highlands and Islands Development Board.

Mark Meredith **M. M.**

Highlands board working to five-year plan

THE CLOSURE of British Aluminium's Invergordon smelter on the Cromarty Firth meant the loss of 890 jobs. It dealt a blow to a sparsely populated area much worse than the impact which the loss of a larger plant would have had in a city.

As a result the framework of an advanced factory programme for the Highlands to attract new industry has taken on a new importance.

But building factories to stave in the path of entrepreneurs is no guarantee of success in this part of Britain. Building costs are thought to be about twice that of the Glasgow-Edinburgh central belt. Foundations present problems. They are usually bog or solid rock and extra insulation is needed against the extremities of weather.

Encourage

The Highlands and Islands Development Board, the industrial promotion agency for the north of Scotland, has a five year rolling programme for advanced factories—part of a £10m building programme.

The programme fits into its overall plans to encourage not

only new industries but also a diversity of activity. The lesson of Invergordon has been not to put too many eggs in one basket. While the Highlands board would like new technology industries to set up it realises it cannot be too choosy.

The recent nomination by the Scottish Office of Invergordon as an enterprise zone could prove a major step in this direction.

Conscious of the marginal appeal of the Highlands the board offers what it says are probably the lowest rents on factory space in the country, as low as 60 pence per square foot and about a quarter of the level in more prosperous parts of the country.

The emphasis is on small units—2,500 square feet and under—to encourage company start-ups and high technology companies. At least two micro-electronics firms are already board tenants. Short leases also encourage regular reviews by companies of space requirements as they grow.

During the first 18 months of the five-year rolling programme to March 1983, the board plans to acquire about 70 acres to build 110,000 square feet of factory space. Forty units were

built in 1981 providing about 100,000 square feet.

About 75,000 square feet is now on offer throughout the Highlands board's vast area of responsibility.

Warehousing

Private developers have steered clear of advanced factory development in this region although there is some private sector financing for service industries and warehousing. The board's building programme is specifically orientated to manufacturing industries.

The regional and local authorities in the Highlands have a much smaller assortment of advanced factories and warehouses.

Within the board there is some feeling that the local factory planning of local and Highland regional authorities does not always complement the board's overall programme.

Board officials have complained of long delays in getting clearance from local authorities to acquire land for HDB factories and of local government dragging its feet in agreeing to board plans.

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ADVANCE FACTORIES IV

Enterprise zones: the experiment that suddenly grew

THE GOVERNMENT'S announcement at the end of July, just before Parliament rose for the summer recess, that a further 11 enterprise zones could be created caused a lot of surprise in the property world.

It was known that both the Department of Industry and the Department of the Environment, the two ministries most closely involved with the zones, were pleased with the way in which the first 11 zones had got under way. But the property world took the Government at its word when it said the creation of enterprise zones was an experiment. It was expected some proof of how that

experiment was faring before having to digest more.

The Government has, in effect, jumped the gun on its own research. The progress of the zones is being studied by outside consultants whose report on the first year of operations was cautiously non-committal. A further report, on the second year, is expected later this month when a clearer picture should emerge.

However, with 11 zones now well into operation—in Clydebank, Swansea, Belfast, Newcastle/Gateshead, Hartlepool, Wakefield, Dudley, Corby, Trafford/Trafford, Speke in Liverpool and the Isle of Dogs in London—and 11 more to come

it is clear that this arm of economic policy is firmly established.

The private sector of the property world maintains strongly that enterprise zones, with their rates holiday, 100 per cent allowances on new buildings, and speedy planning decisions, merely lead to a re-allocation of resources rather than a creation of new resources.

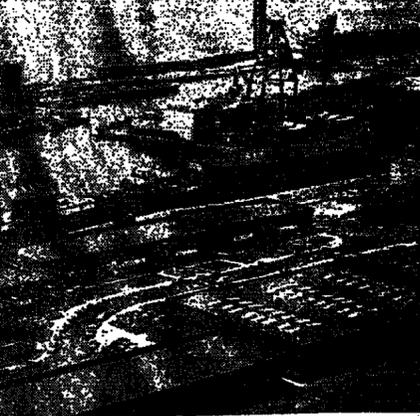
It also claims that the creation of zones within a cordon sanitaire depresses land prices and rental values in the areas adjacent to the zones through the creation of an artificial market within them.

There is no hard proof that this has happened, though it

may be the case in Manchester, where the enterprise zone is partly within the giant Trafford Park industrial estate.

Elsewhere, the evidence tends to be conflicting. In Corby an analysis of the first 34 concerns into the zone shows that 15 were entirely new projects, 11 came from the south-east of England, one was the subsidiary of an overseas company and only five came from within 25 miles of the Northamptonshire new town.

Conversely, in Speke, Liverpool, the emphasis was much more on local concerns. Of the first 15 to set up, nine came from Liverpool, one from elsewhere on Merseyside, one from



These factories, in Great Howard Street, Liverpool, are typical industrial units being offered by Merseyside County Council and other district authorities on Merseyside.

outside the county, one from overseas, and three were start-ups.

Swansea has had a similar experience. Of the first 35 concerns, 16 have relocated, most of them with West Glamorgan.

Liverpool Development Agency claims that the 15 — 13 of which are manufacturing concerns — have retained 119 jobs in the city and added another 225 fresh ones, which should rise to 409 in two years' time.

Contracts

In Corby the enterprise zone is filling rapidly. Some 60 per cent of the available premises have been filled and contracts are being negotiated on another 30 per cent. This leaves relatively little space in the town and the authorities hope they will get a second zone when the new allocation is made.

Conversely, in Liverpool there is ample space. Factories put up by the English Industrial Estates Corporation are on the market and there is about 45,000 sq ft available in small and medium-sized units. The local authorities believe this is sufficient for about the next 12 months.

Then there are both the former Dunlop and BL works which are available. One company, Edward Mills, of Bootle, has already moved into the Dunlop site and a client has been lined up for part of the massive 1m sq ft BL works.

Both these should act as catalysts for others to come into what are difficult lettings. Liverpool has the distinction of

attracting a Mexican concern to produce "authentic Mexican food products" under the name El Macho.

Further north, in the Newcastle-Gateshead zone, which includes the home of English Industrial Estates, 36 new companies have arrived. Particular attention has been paid to the small units.

There are a lot of empty units at low rents in this zone and until these are disposed of it will be difficult to interest the

private sector in participating in any development.

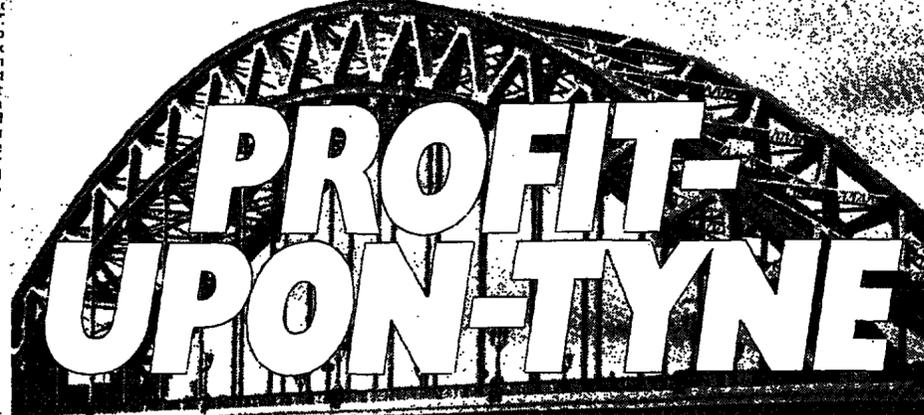
Swansea has attracted a number of big names, such as Debenham, Bass Charrington, Tesco and Usher. Marks and Spencer is discussing the setting up of a warehouse in the zone.

The private sector has been active in Swansea, with CTI developing six units, of which one of 3,900 sq ft is left, and Enterprise Zone Developments has virtually completed its first phase.

It is estimated that about 100 private construction sites in advance factories or by companies for their own occupation.

These examples indicate a considerable amount of activity within the 11 zones. It is activity which is greatly encouraging the Government in its policy though it remains to be proved how much new activity is being created by the developments.

Anthony Moreton



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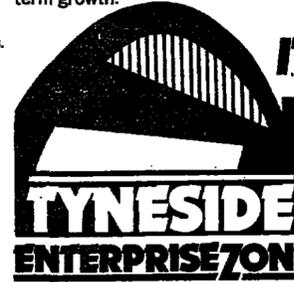
At Bell's Close, Newcastle, most of 22 new workshop units have been reserved before completion.

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IT'S ALL WAITING FOR YOU IN THE CAPITAL OF THE NORTH

THE GREAT advantage of Britain's two experimental urban development corporations is encapsulated in a sentence from Mr Derek Hemingway, of the one set up for the London Docklands. He says: "We reckon we can put planning through all its stages in just two weeks."

The process can take months or even years in some local authorities. Faced with this, some people may well wonder why either UDC—the other is on Merseyside—need bother with advance factories at all. Indeed, as far as large customers are concerned, part of the attraction of a move into the old docklands of Liverpool or London is likely to be the ability to have anything they want within reason, and move in as fast as they can have it built.

But that, of course, would fail to recognise the need of small and medium-sized companies. They too need to be as free as possible from planners' bureaucracy, but they also need reasonably priced, off-the-shelf factories that can be occupied quickly and with a minimum of formality and fuss.

So, although both UDCs are still in the early stages of their

own development (each was vested with its sweeping, independent, planning powers only last year) clear policies are already evident on advance factories. In both cases there appears to be a plan to build a structure of off-the-shelf availability that recognises the way industrial regeneration actually seems to be taking place in Britain today.

Needs

In effect, this is a market-oriented approach. The needs of the companies are recognised, both for start-up and growth, and the factories to satisfy those needs will be built accordingly in good time.

This is in marked contrast to what has been seen outside the UDCs in the past and it is obvious that lessons have been learned in developing an integrated approach. Take Merseyside, for instance, where there is now plenty of off-the-shelf availability of factories throughout the region.

Many of these, however, are empty and sticking because they are simply too big. Each 1,000 sq ft of space usually supports about three jobs, so a 20,000



Redevelopment under way in the London and Western Dock. New factories and other amenities will put the Docklands to use again.

sq ft factory needs a company with at least 60 employees to fill it. There are not many companies of such a size in the market for premises these days.

Even a 5,000 sq ft unit is needlessly cavernous for many small companies, yet such companies have until comparatively recently had to take on such liabilities because that is all there was.

houses numerous small high technology companies in air-conditioned, shirt-sleeved comfort, is a prime example.

Both the London Docklands and the Merseyside Development Corporations will eventually be able to satisfy all these needs within their areas. On Merseyside, the New Enterprise Workshops, are being created from an old transit shed in the heart of the docks, a project funded by the MDC and S.A.T. Industries. In London, Cannon Workshops, a subsidiary of the Port of London Authority, is offering 135 working spaces ranging from 80 to 1,650 sq ft.

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Joe McBain Workington (0946) 830469
Sutherland Industrial Estate, Workington, Cumbria CA14 3RN.

Bill Locke Liverpool 051-933 2020
Nelson House, 117 Rensell Road, Liverpool L4 9TF.

John Derbyshire Doncaster (0302) 66865
Hillgate House, 13 Hillgate, Doncaster, South Yorkshire DN1 2NN.

Frank Jennings Bodmin (0208) 36314
53 Four Street, Bodmin, Cornwall PL21 2JB.

Jeff Dougherty Thornaby (0642) 765911
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Speeds

With speed that has astounded daily passers-by, the MDC has in less than six months put up 39 small units on a 2.9 acre derelict street corner in Bootle. Starter units are only 550 sq ft in size while bigger factories range up to 2,450 sq ft. Leasing formalities are minimal and rents are from £2.20 to £3 per sq ft.

The LDC is putting its total package for advance factories—a mixture of small, medium-sized and high technology units out for offers and hopes to announce soon which architects will be involved.

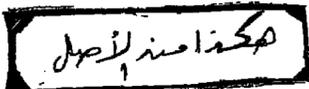
And on Merseyside, buildings that will house parts of the 1984 International Garden Festival, which the MDC is running on land reclaimed from a rubbish tip, a tank farm and a disused dock, will be designed for conversion to high technology advance units afterwards.

The MDC stress that it will also be policy to dovetail factory provision with what is also available nearby outside the corporation's boundaries in Liverpool, Bootle and Wirral where the local authorities and English Industrial Estates have all been active. This means, in effect, filling in gaps in local markets.

Overall, therefore, the UDCs are adopting sensible policies towards advance factories and will be able to cater for companies from the cradle to the point where they order their own custom-built giant complexes. All the corporations need are companies that grow into the spaces.

Ian Hamilton-Fazey

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Architects more involved in factory design

OVER THE last hundred years and more architects have become increasingly involved in the design of industrial buildings. The first system-built building on a major scale, the Crystal Palace, although designed by engineers pointed the way forward for architects. Production processes in the two World Wars also acted as catalysts—showing the need for a well-designed approach to the mass production system.

Today architects are involved in the design of buildings for industry as never before. In Britain architectural practices like Richard Rogers, Norman Foster Associates, Nicholas Grimshaw, Ahrends Burton and Koralek, Arup Associates, Michael Hopkins and many others have established a very high reputation for careful design for industry. Companies such as IBM and the Government-backed Immos microchip industry have both commissioned buildings from architects who are in the vanguard of design.

There is also a new school of thought among some designers which believes that industrial buildings should not be seen as buildings at all but as a kind of "chassis or rig which can be adapted, added to or dismantled to meet changing operational requirements" (Architects' Journal). This kind of thinking is looking ahead to the day when much of the industrial process will be manned by robots. In terms of investment this means that the cost of the machines and the robotic handlers will be a thousand times more expensive than the building. The exception to this will be the kinds of building designed for a very specific production process demanding a special environment.

A recent example of a very specialised kind of advance factory and distribution centre is the Fleetguard works for the American Cummins Engine Company which has been designed by the UK firm of Richard Rogers and Partners and built at Quimper in Brittany, France. The site was chosen as a centre for the company's European operations—manufacturing and distributing heavy-duty engine filters.

Cummins is an interesting company with a commitment to modern architecture. In America at the company headquarters at Columbus, Indiana, architects like Saarinen, J. M. Pei and Kevin Roche have created a town of industrial buildings that is of quite outstanding international quality.

In the Brittany building the architect exposes tall red steel columns from which are suspended a web of cables to hold the roof. It is a remarkably elegant structure that allows for the maximum amount of uninterrupted floor space and of a design with lessons for many others.

It is based on very consistent principles. The structural elements are clearly expressed on the outside of the building and the principle of suspension controls all elements. The entrance bridge is suspended from the perimeter beam, the main staircase hangs from the main roof beams and all servicing for air handling and cooling is supported from the roof. None of the walls is load-bearing.



Purpose-designed units at Winnick Quay, Warrington. Architects are producing some pleasing and highly successful buildings for industry

In social terms it is an innovative factory. There is a single entrance for all workers at one end of the building and the loading bays are at the opposite end. From the administrative offices there is a long view down the main staircase to the shop floor—making it very clear to both sides of industry that both are necessary and should be seen to be interdependent.

The innovations of the factory in Britain can be seen on a different scale at a major new facility for the Immos microchip project at Newport which was handed over earlier this year. This remarkable factory, again by Richard Rogers, was built in 12 months at a cost of £8m.

Speed of construction was made possible by the development of a kit of parts approach. A prefabricated series of parts was developed that could be made off site and the use of "wet" trades minimised. The design is modular so that a

highly organised series of different building operations can be carried out sequentially.

The essential elements for the design of the sort of factory that is used for advanced micro technology can be seen at Immos. The building—and this would apply to almost any new factory for the new technology—is a highly serviced box with air inputs and outputs together with a system for the removal of noxious liquids. The servicing has to be almost up to the standards needed for a nuclear reactor.

Canteens

Together with these highly technical requirements there are still the more conventional—the need for good offices and canteens and a general feeling of well-being about the working spaces. A central plant room to service both the production and administrative sides of the building is a focal element of the design.

In the latest types of factory for high technology the budget is half-consumed by the need for elaborate servicing. Within the remainder of the budget, often less than 50 per cent, a building has to be designed. The tight budget is probably the main reason for the careful development of the lightweight,

loose-fit, prefabricated principles that now govern the design of factories.

Architects like Nicholas Grimshaw have long been fascinated by the needs of modern industry for simple buildings which can be built quickly and to a set design that renders them usable for a variety of manufacturing processes. He has developed, along with other architects, a sophisticated and smooth dry bolt-together system of building.

He sees the need for an innovative kit of lightweight parts sufficiently flexible to change with varying requirements. Because despite the recession industrial buildings have still been built, architects like Grimshaw and Michael Hopkins have been able to process their kit of parts approach.

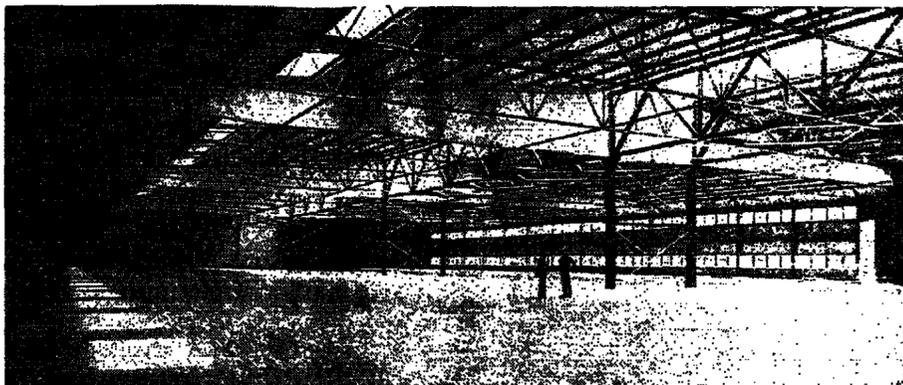
Steel frame with aluminium and neoprene walls are the basic ingredients. What the architects have done is to innovate aspects of this sort of design long before the industry. Bathroom, shower and lavatory units are produced to regular steel module and slotted into existing or new buildings.

The architects frequently complain that their innovative design which would simplify the factory building system are not taken up by the manufacturer of building components. Instead of an organised mass production system many of the elements of the factory design are still treated by the building industry as one-off jobs.

Examples of the kind of kit of parts design with smooth edges, perhaps the most successful development of high-technology architecture, are to be seen at Milton Keynes and Warrington New Towns and at the Aztec West Technology Park.

The future of factory design in Britain lies in the component approach to industrial buildings. Industry has become smaller and cleaner and can be built with less impact on our cities. The town planning implications are only just being grasped in the Enterprise Zones. Architects are for once in the forefront working for an efficient and elegant future in factory design.

Colin Amery
Architecture Correspondent



Interior of one of two huge warehouses built for the National Water Council on the site of the old film studios at Denham, Bucks. The buildings were completed rapidly by using pre-cast concrete sections

Support for enterprise agencies

A RAPIDLY growing number of local and regional initiatives have been launched during the recession in an attempt to foster the growth of small businesses and, in some cases, to help ailing companies.

Broadly they fall into two groups. The first, and by far the largest, are enterprise agencies and trusts which have usually been started by large companies to help small businesses, often in partnership with chambers of commerce or local authorities.

The second group comprise enterprise boards, a few of which have been set up in areas such as the West Midlands and Greater London by local authorities to try to create ideas.

Although the names of the two groups are confusingly similar, they are very different in conception and practice. But both aim to foster industry.

Enterprise agencies (or trusts) are voluntary in nature and, as such, are enthusiastically supported by the Government. The Department of Industry believes they are a potentially important source of advice for small businesses, while the Department of the Environment regards them as an effective way of harnessing large companies' help in tackling the decline of inner cities and other community problems.

They concentrate on providing

advice—and sometimes property—for small businesses; but they hardly ever offer financial aid.

Enterprise boards are the offspring of local authorities and offer finance as a primary function together with a range of other advice and assistance.

The Greater Manchester Economic Development Corporation, for example, has been actively involved in putting together parcels of land, where it provides the necessary services before selling to the private sector. It has also mounted national competitions to find entrepreneurs with bright ideas, who would be willing to set up in business in the area. The West Midlands Enterprise Board has recently made its first investment to save an ailing foundry.

The London board is now being set up following disputes over whether it should concentrate on supporting small businesses or on bailing out lame ducks. A mixture of aims is likely to emerge.

Both types of organisation can operate constructively alongside each other, providing for example the local authority involved does not demotivate the large companies which sponsor the agencies.

Because of the rapid growth of enterprise agencies, there are various estimates of how many have been set up since they first appeared at the end of the

1970s. The Industry Department believes there are more than 60 dealing with small businesses, while the Environment Department puts the figure at over 100 if those with wider community interests are included.

The largest and one of the oldest is the London Enterprise Agency which has an annual income of £210,000 and over £1.5m capital tied up in property developments such as a warehouse converted for small workshops in Spitalfields and a small factory estate by the River Thames in Wandsworth.

Experience

In its three year life it has given over 1,000 small businesses advice. It is sponsored by major oil companies and clearing banks (which are involved in most of the agencies) as well as other companies such as GEC, Marks and Spencer and United Biscuits.

At the other end of the scale is the Maidstone Enterprise Agency set up two months ago with a first-year budget of £22,000 by two clearing banks, Kent County Council and local companies.

As these agencies spread around the country, it is becoming clear that large companies often find it difficult to perform a local and useful role beyond encouraging potential founders and maybe providing cash. Large company executives

often do not have the right experience to give advice to small businesses, and sometimes do not have sufficient time available.

What the agencies often need instead is a considerable number of professional and other local people on whom they can expect to give advice to small businesses as well as a few people in larger companies who can give suitable specialist help perhaps being on call for considerable time.

It is not yet clear how useful a role these agencies will fulfil in providing properties for small businesses. The experience of the London Agency in Spitalfields and Wandsworth may provide some guide.

The agencies are likely to expand more quickly following the introduction in the last Budget of tax relief on company contributions which, while not significant in terms of major company expenditure may help persuade boards of directors in large businesses to provide help.

While a Conservative Government remains in power the local authority controlled boards are likely to play only a small role. However under a Labour Government, they could develop into a major source of public sector finance and aid.

John Elliott

Building for the future

CONTINUED FROM PAGE 1

it is likely there will be much less building this year.

There is still 1m sq ft of space available but the WDA says that the letting rate in the early months of this year is holding up well and the agency is pleased that its vacancies rate—the ratio of empty to completed property—was 14 per cent at the end of the financial

year, is now down to 13 per cent and the aim is to get it down to 10 per cent.

This compares very favourably with England where the rate is 17 per cent, although Scotland is happiest with 12 per cent.

In England, unlike the other two countries, EIE is moving into office development with a

£10m-£15m scheme for the redevelopment of the Exchange Station site. It is also moving into provision of service-industry facilities which is considered to be the big growth area.

There was a time when advance factories were only put up for industrial and especially manufacturing use, and this is still largely the case in Wales.

But in England, and to some extent in Scotland, it has been accepted that tourism, warehousing and other service industries can create jobs. A block of small offices is being built in Gateshead and there is interest in another in Plymouth. The corporation is also involved in talks about a hotel for Gateshead.

Scotland has not moved into this field strongly though it is involved in an office complex on the former Singer works site in Clydebank, which is now part of the enterprise zone. But it is not into hotels at all.

In a related field the EIE is putting up premises for use by high-technology industries in such a way that they can be turned into offices if demand from the former fails to materialise. The corporation is setting a five-year take-up time for high technology use after which any unoccupied premises will be let out as offices.

The first of these projects have been built at Leeds and Bradford on land close to the university and another is in hand at Lancaster. Further schemes are in mind for Hull, Durham and Newcastle.

Another change is that the emphasis has turned away from greenfield sites on the edge of towns, such as those at Thornaby in Cleveland, towards city-centre sites. At the same time building is being concentrated on small units, probably the only areas where there is movement at the moment. Greenfield sites were acceptable for large units or when the country wanted to capture footloose manufacturing industry. There is very little of the latter, whether international or national, and so it makes much more sense now to build small, especially around 500-1,000 sq ft, in towns.

By concentrating on such units the corporation can offer much shorter rental periods, perhaps as little as 3 months compared with the 21 years that was once standard. This is also Scottish policy.

The general impression is that, with the exception of these very small factories, the market for units is very quiet. This is a reflection on the state of the economy, of course, rather than availability.

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WORLD CAR MARKETS

WEST GERMANY				FRANCE				ITALY				JAPAN							
Jan. to June 1981		%		Jan. to June 1982		%		Jan. to June 1981		%		Jan. to June 1982		%					
Domestic	960,614	72.2	941,469	75.3	Domestic	774,466	74.38	755,537	71.4	Domestic	558,897	57.3	544,025	58.4	Domestic	1,379,438	98.57	1,478,454	98.84
Imports	369,446	27.8	388,216	24.7	Imports	249,499	25.62	302,751	28.6	Imports	451,693	42.7	398,475	41.4	Imports	19,330	1.43	17,231	1.16
Total market	1,330,060	100.0	1,249,685	100.0	Total market	973,965	100.00	1,058,289	100.00	Total market	1,010,590	100.0	942,500	100.0	Total market	1,399,368	100.00	1,495,685	100.00
DOMESTIC				DOMESTIC				DOMESTIC				DOMESTIC							
VW-Audi	402,705	30.2	374,779	30.1	Renault	404,370	41.51	416,504	39.35	Fiat group	513,234	50.8	500,500	52.0	Toyota	534,328	38.18	578,879	38.7
Opel	218,508	16.4	235,910	18.9	Citroen	140,120	14.38	138,089	13.04	Alfa Romeo	65,682	6.5	63,525	6.6	Nissan	390,754	27.92	402,038	26.88
Ford	171,778	12.9	136,368	10.9	Peugeot	134,275	13.78	134,378	12.69	Peugeot-Citroen	103,071	10.2	97,212	10.1	Mitsubishi	129,048	9.22	124,589	8.32
Daimler-Benz	127,637	9.6	125,608	10.0	Talbot	45,660	4.69	66,544	6.28	Renault	83,167	8.16	81,167	8.5	Toyota	93,501	6.68	121,237	8.1
BMW	70,501	5.3	73,383	5.9	Imports					Peugeot-Citroen	101,050	10.0	97,212	10.1	Honda	83,167	5.94	118,231	7.9
IMPORTS				IMPORTS				IMPORTS				IMPORTS							
Peugeot	58,765	4.4	54,480	4.4	Ford	59,412	6.1	66,610	6.29	VW-Audi	101,050	10.0	97,212	10.1	Daihatsu	42,793	3.05	38,449	2.57
Renault	58,386	4.4	52,480	4.2	Fiat	51,620	5.3	48,636	4.59	Ford	43,661	4.3	40,050	4.2	Fuji	30,875	2.15	34,412	2.3
Fiat	52,286	3.9	55,519	4.4	General Motors	15,583	1.6	24,318	2.29	General Motors	35,367	3.5	27,912	2.9	Suzuki	31,461	2.24	31,451	2.11
Toyota	30,252	2.3	21,280	1.7	BMW	11,687	1.2	14,917	1.59	BMW	19,199	1.9	16,367	1.7	Isuzu	32,713	2.33	29,278	1.95
Nissan-Datsun	22,825	1.7	22,073	1.8	BL	9,740	1.0	14,802	1.39	BL	12,126	1.2	15,400	1.6	Volksvagen	6,276	0.44	5,469	0.4

Japanese hit trouble as they go up-market

By Kenneth Gooding, Motor Industry Correspondent

THE TIDE has turned for the Japanese in Europe. Their share of the Western European car markets slipped again during the first half of 1982. It seems the Japanese can no longer expect growth will come almost automatically.

In 1987 the Japanese penetration of Western European car markets stood at 6.3 per cent, reached 7.3 per cent in 1979 and peaked at 9.8 per cent in 1980.

Last year, however, it eased back to 9.5 per cent and, to prove that this was not just a

hiccup but something more fundamental, by June this year Japanese penetration slipped back further to 8.5 per cent. In June 1981 it had stood at 9.7 per cent.

While it is true that the Japanese are faced with some form of restriction in several European markets, there is also evidence that they are having to fight just as hard as any other manufacturing country to win sales during the current recession.

The Japanese Automobile Manufacturers Association

(JAMA) blames the strengthening of the value of the yen against major trading currencies for the slippage in sales.

However, there are other factors quoted by the Europeans. To start with the Japanese have traded particularly on a "value for money" image. But for the past year or so a price war has raged in all the main European markets and the domestic manufacturers not only have brought down their prices in real terms but have also improved and expanded the equipment offered in many popular models.

This has coincided with efforts by the Japanese to increase turnover by sending Europe more expensive vehicles. They are constrained from increasing unit sales by the "voluntary" restrictions on shipments to markets such as France, Italy, the UK, Belgium, Holland and West Germany.

There is no doubt that the Japanese are having a hard time selling some of the up-market models, partly because the value for money approach in the past has linked their products mainly with "cheap and cheerful" vehicles.

Sales of Japanese cars dropped back in the two most important markets—Britain and

West Germany—in the first half of 1982—and this accounted for much of the fall in European market share.

In Germany the Japanese market share has reversed as sharply as it climbed and by June was 8.2 per cent, down from 10 per cent at the same time last year.

Weak dealers and too many marques

According to the Japanese industry, the Japanese expanded too fast during the 1980-81 period, picking up too many weak dealers and tackling the market with too many marques. The upshot has been that trade-in prices for many Japanese models have been lower than usual.

The recent experience makes something of a mockery of the voluntary restraint the Japanese agreed to—that their shipments to West Germany would not increase by more than 10 per cent on last year's level. The German industry—as a leading exporter and advocate of free trade—has joined the Japanese in calling for the restraint, imposed at the request of the German Government, to be ended as quickly as possible.

The difficult trading conditions in West Germany, where car sales in the first six months fell by 6 per cent from the same period last year, affected all importers and their share of total market fell from 27.3 per cent to 24.7 per cent.

Among the domestic manufacturers, Opel, the General Motors offshoot, and BMW improved their positions emphasising that a good new product can do wonders for market share. The new Opel Ascona and BMW 5-series boosted these manufacturers' sales considerably.

West German car output actually rose 16 per cent from 1.8m to 2.1m during the six months reflecting the country's success in other European markets and the U.S. With about half its output earmarked for export, Germany is now being viewed by its rivals as "the Japan of Europe."

In Japan itself, the efforts of the manufacturers to find more domestic sales in the face of increasing protectionism overseas have helped push up registrations. They have also squeezed imports even further.

Significantly, however, car production in the first six months fell by nearly 2 per cent, from 3.55m to 3.45m, following the slip from 7m for the hole of 1980 to 6.97m last year—the first set-back in Japanese car production since 1974.

Exports, which take half the output, have been meeting resistance in Africa and Latin America and, apart from the European countries already mentioned, there are "voluntary" restrictions on shipments to the U.S. and Canada.

Of the other major industrialised markets, France managed to buck the recessionary trend in the first six months. Not only were car sales up, so was production. Output improved from 1.32m to 1.42m in spite of the loss of an estimated 100,000 vehicles caused by strikes at the plants of Renault, Citroen and Talbot early in the year.

UNITED KINGDOM											
Jan. to June 1981		%		Jan. to June 1982		%					
Domestic	368,119	44.32	330,609	42.28	Imports	451,272	57.72				
Total market	797,937	100.00	781,881	100.00	DOMESTIC						
Ford*	242,997	30.45	234,932	30.05	Vauxhall*	159,300	19.96	141,403	18.08		
BL*	58,202	7.29	88,341	11.29	Talbot*	41,671	5.22	28,904	3.69		
IMPORTS				IMPORTS				IMPORTS			
VW-Audi	41,148	5.16	46,342	5.93	Datsun	50,027	6.27	44,225	5.66		
Renault	39,007	4.89	36,115	4.62	Volvo	22,403	2.81	26,055	3.33		
Fiat Auto	29,693	3.72	25,876	3.31	Citroen	13,904	1.74	12,724	1.63		
Peugeot	9,329	1.17	10,005	1.28	* Includes cars from Continental associates not included in total import figure						

What new products can do for sales

Talbot, the Peugeot subsidiary, climbed back from the depths with the help of its small car, the Samba.

In the UK not only were sales down, so was production—by nearly 4 per cent to 543,000 in the first six months.

The Japanese share of the UK market dropped from 11.3 per

cent to 10.3 per cent for the six months. Some of the Japanese importers claim the fall results from a shortage of stocks because shipments from Japan have been badly timed. Others admit they are struggling hard to sell the cars they have received.

Production figures for Italy are not available and even the registration statistics quoted here are well-informed estimates.

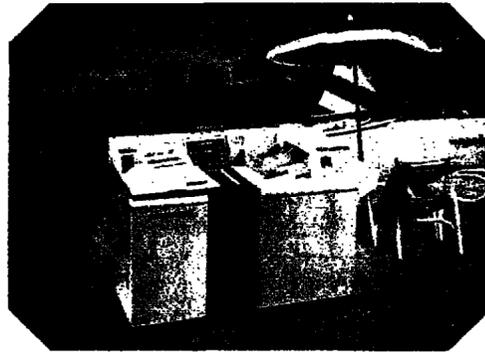
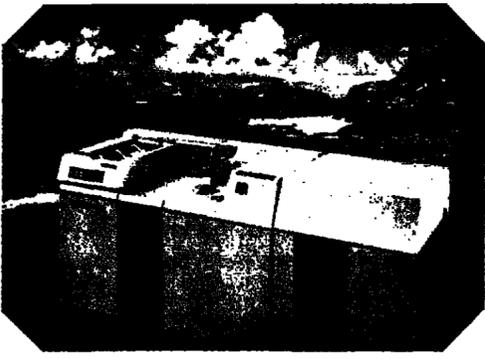
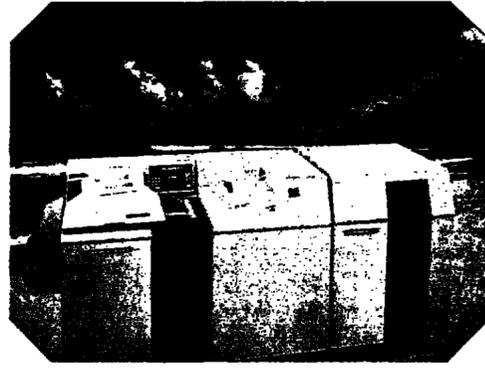
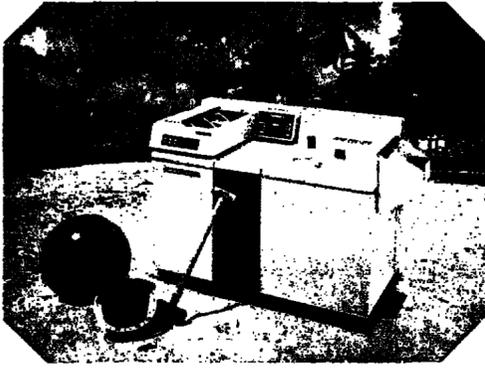
After bucking the trend in the

rest of Europe for two years, Italy in 1982 is seeing a decline in car sales.

The U.S., a particularly volatile market, is also suffering from a drop in both registrations and output. At the six-month stage sales and production were at their lowest level for 21 years, suffering in particular from the inability of the American customers to adjust to the high interest rates.

Note: The tables refer to figures for car registrations.

UNITED STATES									
Jan. to June 1981		%		Jan. to June 1982		%			
Domestic	3,308,432	72.2	2,934,834	72.7	Imports	1,273,863	27.8	1,101,165	27.3
Total market	4,582,295	100.00	4,035,989	100.00	DOMESTIC				
General Motors	1,997,376	43.58	1,799,035	44.57	Ford	750,951	16.38	693,697	17.18
Chrysler	400,717	8.2	349,978	8.67	Volksvagen of America	84,314	1.84	46,129	1.14
American Motors	75,074	1.64	45,985	1.14	IMPORTS				
Toyota	326,677	7.13	264,235	6.54	Nissan	247,450	5.4	231,121	5.72
Honda	204,871	4.47	189,620	4.7	Mazda (Toyo-Kogyo)	93,407	2.03	76,394	1.89
Subaru	77,769	1.69	72,448	1.79	VW-Audi	69,533	1.51	54,990	1.36
Volvo	37,323	0.81	41,788	1.0	Mercedes	32,694	0.72	31,969	0.79



The family album.

We thought you'd like to see the latest snaps of the family.

The family of Kodak 'Ektaprint' Copier-Duplicators. We believe they make a better picture than any other copier on the beach.

Because, though they may look much like other plain paper copiers, every Kodak machine is an absolute genius. Its amazing micro-computer brain means remarkable speed, efficiency and flexibility. A really smooth and consistent performance.

And because it can instantly self-diagnose almost any ailment, it will rarely, if ever, need time off work.

Although the family of Kodak 'Ektaprint'

Copier-Duplicators have similar basic features, each member has individual characteristics that make it just right for your copying needs. And, if these needs grow, you can still keep it in the family. Because Kodak 'Ektaprint' Copier-Duplicators can easily build themselves up to cope.

The first name in photography. The last word in copying.

The family of Kodak 'Ektaprint' Copier-Duplicators. To find out which one relates to you, contact us at: Kodak Limited, Copy Products Sales, Victoria Road, Ruislip, Middlesex. HA4 0QJ. Telephone: 01-422 3443. Or your local Kodak Sales Centre.

Name _____

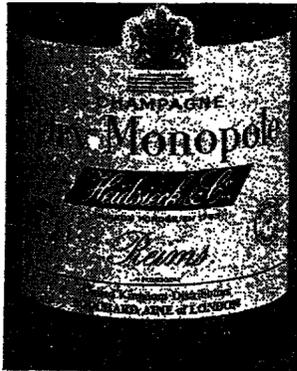
Company _____

Position in Company _____

Address _____

Tel. No. _____

What do wine drinkers look for?



Shippers they can trust.

How can a label help you choose a good wine? It can tell you the type of wine, but not whether it is from the right source. The Appellation and the Vintage, but not the care taken in its fermentation and its maturation. The producer, but not how it is blended and bottled.

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Every Saturday the Financial Times publishes a table giving details of

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on offer to the public. For further advertising details please ring: 01-248 8000, Extn. 3606

Handwritten signature or note at the bottom of the page.

Companies and Markets

COMMODITIES AND AGRICULTURE

Coconut output fall expected

PHILIPPINE coconut production this year is expected to decline by 4.6 per cent because of bad weather, reports a correspondent in Manila. The Philippines government-funded United Coconut Association said output will be 2.2m tonnes, 106,000 tonnes less than last year's output. Value of the coconut products exported in the first seven months of this year was 15.8 per cent down at \$40.1m.

Date for gold currency meeting fixed

THE DATE for the special meeting of the London gold futures market, where members will consider changing the currency of the contract from sterling to dollars, has been fixed for October 1.

The Board is to formulate a resolution to be put to the meeting to give member companies an opportunity to vote on whether or not they wish to

change the currency of the contract. This follows pressure from members, who claim that the main reason why the market—launched on April 19—has failed to capitalize on the recent wild fluctuations in the gold price, is because of the problems of trading a dollar commodity in sterling.

Zinc producer price split

BY JOHN EDWARDS, COMMODITIES EDITOR

EUROPEAN zinc producers made it plain yesterday they were reluctant to follow the lead set by Cominco of Canada, who on Friday raised its selling price for zinc outside North America from \$800 to \$850 a tonne. The move by Cominco to lift the European producer price, as it is known, to \$850 follows the general increase in U.S. zinc producer prices recently from 40 to 92 cents a pound.

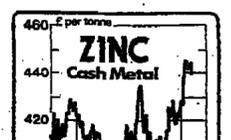
For an increase to \$850. Perhaps more significantly Australian Mining and Smelting (Europe) also claimed that an improvement in demand for zinc was required before a rise in the producer price could be made. There was little reaction yesterday on the LME zinc market, where values remain well below the level quoted by producers. In hesitant trading conditions, cash zinc closed £2.75 up at £439 a tonne.

Strike hits Australian flocks

By Michael Thompson-Noel in Sydney STRIKES by sheep shearers in New South Wales are adding greatly to the problems of wool producers already beset by drought and low export prices. According to estimates, farmers on the tablelands of northern New South Wales are waiting to shear 1m breeding ewes in the final stages of pregnancy.

Strike hits Australian flocks

The shearer's union is in support of a wage claim for an additional A\$30 (£21.84) a week. The Arbitration Commission is due to give a ruling on Thursday, though this may be delayed if industrial action continues. Graziers in NSW now have flocks of heavily-wooled ewes about to lamb, weakened by months of drought, few of which would survive lambing weighed down by a full fleece of wool.



EUROPEAN CLIMATE

Outlook bright for bigger harvests

BY A CORRESPONDENT

AS EUROPE'S granaries fill to bursting point, earlier fears that fluctuations in the weather might damage the harvest appreciably seem misplaced. This year has demonstrated yet again that only in extreme circumstances can the weather interrupt significantly the normally steady rise in EEC grain production.

The way in which the output of cereals in the EEC has changed can only be examined by breaking down the statistics to take account of regional differences in the Community. This is not difficult as Europe can be split into two meteorologically separate zones. The majority of the Community grainlands in north-west Europe have a cool, temperate climate with cool, wet winters and warm summers with adequate rainfall.

It is possible to examine the impact of the weather on European grain harvests over a much longer period than the cereal price series and wine harvest prices which go back over five centuries. What emerges is that for most of the period, which was marked by a somewhat cooler, more variable climate, it was the cold wet years that caused the greatest problems.

BRITISH pig and poultry industries are suffering low prices at a time when prices in other EEC member states were fairly satisfactory. The president of Britain's National Farmers Union told a meeting of the European farm union COPA.

UK sugar beet record forecast

BY TERRY POVEY

PROCESSING of the 1982-83 UK sugar crop is to start in one week's time, the British Sugar Corporation announced yesterday. Pre-campaign samplings indicate a possible record crop of over 1.3m tonnes.

One shadow on the British Sugar processing horizon is the possible dispute with trade unions over wages. In May union representatives told the company that the start would depend on settlement of the annual pay negotiations.

Aluminium stocks were up 1,625 to 216,450 tonnes and LME zinc holdings rose by 80,000 to 37,750,000 ounces. However tin stocks fell by 1,115 to 37,425 tonnes and nickel by 72 to 3,080 tonnes.

Inshore waters fishing watchdog

THE MINISTRY of Agriculture is to step up surveillance of British inshore fishing grounds using its own aircraft. The specially-equipped Britten-Norman Islander will regularly patrol the coastline around England and Wales keeping track of fishing fleets and individual vessels.

Since over 80 per cent of the EEC cereal production is in the temperate northern regions, the important fluctuations in output depend on the variations in the weather in the eight countries in this part of the Community. Any compensating changes in the Mediterranean are not sufficient to affect appreciably the total.

One has to go back to 1879 to find such an occasion. That year, which marked the nadir of the first acute phase of the great agricultural depression of the last quarter of the 19th century, far exceeding anything experienced so far this century.

Whatever is in store, it is improbable that the likes of 1976 will be repeated too often in the near future. For the rest, unless there is a return over centuries the agricultural system seems well able to cope. In the meantime, the EEC seems set to go on producing greater harvests. While the weather-induced fluctuations from year to year will disturb progress, the overall effect will be output undreamt of by Jean Monnet and the founding fathers of the Community when they established the CAP.

LONDON OIL SPOT PRICES

Table with columns for Oil Type, Price, and Change. Includes items like Arabian Light, Arabian Heavy, and Brent Blend.

GAS OIL FUTURES

Table with columns for Month, Year, and Business Done. Includes items like Heating Oil and Diesel Oil.

BRITISH COMMODITY MARKETS

Table with columns for Commodity, Price, and Business Done. Includes items like Base Metals, Copper, Zinc, and Tin.

GOLD MARKETS

Gold fell \$151 an ounce in the London bullion market yesterday to close at \$438.440. The metal opened at \$433.434 and was fixed at \$444.10 in the morning and \$438.00 in the afternoon.

LONDON FUTURES

Table with columns for Month, Year, and Business Done. Includes items like Wheat, Corn, and Soybeans.

WHEAT

Table with columns for Month, Year, and Business Done. Includes items like Hard Red Winter and Soft Red Winter.

CORN

Table with columns for Month, Year, and Business Done. Includes items like Yellow and White.

SOYBEAN MEAL

Table with columns for Month, Year, and Business Done. Includes items like 48% and 63%.

WHEAT

Table with columns for Month, Year, and Business Done. Includes items like Hard Red Winter and Soft Red Winter.

CORN

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CORN

Table with columns for Month, Year, and Business Done. Includes items like Yellow and White.

SOYBEAN MEAL

Table with columns for Month, Year, and Business Done. Includes items like 48% and 63%.

PRICE CHANGES

Table with columns for Commodity, Price, and Business Done. Includes items like Metals, Rubber, and Cocoa.

AMERICAN MARKETS

Table with columns for Commodity, Price, and Business Done. Includes items like Wheat, Corn, and Soybeans.

EUROPEAN MARKETS

Table with columns for Commodity, Price, and Business Done. Includes items like Wheat, Corn, and Soybeans.

Well established group of COMMODITY BROKERS with memberships of most London Markets and long standing trade and private clients wishes to talk to a substantial company currently actively involved in Metals and/or Soft Commodities, or wanting to become so involved, with a view to mutually advantageous co-operation.

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THE SUN SHINES... all the facilities of a 100 tonne yacht... The Sun Shines...

INDICES

Table with columns for Index Name, Value, and Change. Includes items like FTSE 100, Nikkei, and DAX.

REUTERS

Table with columns for Commodity, Price, and Business Done. Includes items like Wheat, Corn, and Soybeans.

MOODY'S

Table with columns for Commodity, Price, and Business Done. Includes items like Wheat, Corn, and Soybeans.

MEAT/FISH

Table with columns for Commodity, Price, and Business Done. Includes items like Beef, Pork, and Fish.

TEA AUCTIONS

Table with columns for Commodity, Price, and Business Done. Includes items like Tea Auctions.

POTATOES

Table with columns for Commodity, Price, and Business Done. Includes items like Potatoes.

WHEAT

Table with columns for Month, Year, and Business Done. Includes items like Hard Red Winter and Soft Red Winter.

CORN

Table with columns for Month, Year, and Business Done. Includes items like Yellow and White.

SOYBEAN MEAL

Table with columns for Month, Year, and Business Done. Includes items like 48% and 63%.

Companies and Markets

WORLD STOCK MARKETS

Wall St down at mid session

NEW YORK

Table of stock prices for New York market, including columns for Stock, Sept. 10, Sept. 9, and various market indicators.

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Singapore

Prices closed generally lower on profit-taking in moderately active trading. Central Sugars shed 25 cents to S\$8.60, Genting 23 to S\$21.10, Magna 18 to S\$2.50, National Iron 10 to S\$5.55, Straits Trading 14 to S\$2.60, Hong Leong Finance 20 to S\$5.75, Oversea Chinese Bank 15 to S\$7.40 and United Overseas Bank 10 to S\$3.32.

Germany

Shares failed to reverse early losses and closed mainly down on low turnover in the absence of any encouraging new factors. The Commerzbank Index fell 2.7 to 672.2. Deutsche Bank ended DM 2.90 down from Friday's close at DM 2.95 while Commerzbank shed 120 to DM 2.85 and Dresdner lost 1.10 to DM 1.15.

Tokyo

Stocks were narrowly mixed in thin trading with many investors and dealers distracted by uncertainty over the yen/dollar rate trend. Nikkei-Dow Jones Average rose 1.55 to 7,073.93 on volume of 180m shares. The Tokyo Stock Exchange Index picked up 0.78 to 331.25. Some computer makers, motors, pharmaceuticals and Light Electricals firmed slightly on limited bargain hunting after the international popularists lost ground on Saturday following the weaker yen and lower Wall Street advice.

Hong Kong

Prices reversed an earlier easier tendency to close little changed from Friday's finish. Trading was thin throughout the day in the absence of fresh factors to motivate direction. The Hang Seng Index closed off 0.21 at 1,080.37, having been down 7.34 at 11 am.

Canada

Stocks were lower in early trading as prices fell over a broad front. The Toronto Composite Index was off 10.4 points at 1,594.8 on volume of 839,572 shares. Dealers led advances 141 to 56. The Average slipped 51 points in morning trading, to about 901, as it was down only two points at mid-day. Declines led advances by eight-to-five and volume totalled 28m shares.

Amsterdam

The market began the week mainly lower. Dutch Internationals and Banks were weaker while the Investment Fund sector held out against the lower trend.

Stockholm

Uncertainty over the outcome of next Sunday's national elections dampened trading with stocks closing lower on small turnover.

Johannesburg

Gold shares firmed after an earlier easing as bullion rose from its early levels in Europe but trading was fairly quiet.

Australia

Markets closed lower in quiet trade attributed to the decline in the world gold price and lower Wall Street indices, brokers said.

London

The All Ordinaries Index dropped 14.1 to 481.1. BHP lost 17 cents to A\$3.14 and WMC fell 7 cents to A\$3.43, while Selstrut, Unal, MIM, North Broken Hill, Bougainville, and EZ Industries all weakened. CRA rose 2 cents to A\$3.72.

Canada

Stocks were lower in early trading as prices fell over a broad front. The Toronto Composite Index was off 10.4 points at 1,594.8 on volume of 839,572 shares.

Denmark

Shares failed to reverse early losses and closed mainly down on low turnover in the absence of any encouraging new factors.

Holland

Shares failed to reverse early losses and closed mainly down on low turnover in the absence of any encouraging new factors.

Australia

Markets closed lower in quiet trade attributed to the decline in the world gold price and lower Wall Street indices, brokers said.

Japan

Shares failed to reverse early losses and closed mainly down on low turnover in the absence of any encouraging new factors.

Germany

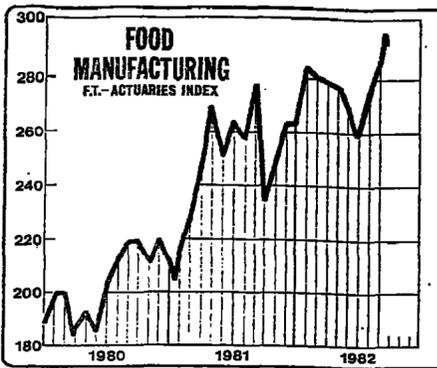
Shares failed to reverse early losses and closed mainly down on low turnover in the absence of any encouraging new factors.

France

Shares failed to reverse early losses and closed mainly down on low turnover in the absence of any encouraging new factors.

U.S. economic and financial worries dampen investment ardour and lead to further London uncertainty

Account Dealing Dates
Option
First Declared Last Account
Dealings Dealings Day
Aug 16 Sept 2 Sept 3 Sept 13



had Willis Faber 5 easier at 490p in front of today's half-timer, while Sedgwick interim results due on Thursday, softened a couple of pence to 170p.

up 3 to 189p. News of the agreed \$100m purchase of J. B. Williams from Nabisco Brands failed to stimulate Beecham, which closed a couple of pence cheaper at 313p.

FINANCIAL TIMES STOCK INDICES table with columns for Sept 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, 1980.

HIGHS AND LOWS S.E. ACTIVITY table with columns for High, Low, and S.E. Activity.

Clearers improve
The major clearing banks, operators of late by the best provisions facing the inter-national banking system, took a modest turn for the better on the lifting of UK sanctions against Argentina.

Thorn EMI steadier
Down 48 last Friday on the shock forecast of substantially lower interim profits, Thorn EMI came under early selling pressure and reacted to 385p before recovering to close only 2 pence on the day at 385p.

Tricentrol lower
Partly reflecting the lower trend on Wall Street, Oil shares continued on a downward path. Shell gave up 8 to 422p and BP to 266p.

BTR rally
BTR, a dull market recently, rallied sharply following satellite half-yearly results to close 10 higher at 328p.

RECENT ISSUES

EQUITIES

Table of recent equity issues with columns for Issue Price, Latest Price, and Stock.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for Issue Price, Latest Price, and Stock.

"RIGHTS" OFFERS

Table of rights offers with columns for Issue Price, Latest Price, and Stock.

Renunciation date usually last day for dealing free of stamp duty. Figures based on prospectus estimates. Dividend not paid or payable as part of capital issue unless stated.

ACTIVE STOCKS

Table of active stocks with columns for Stock, Closing Price, Day's Change, and Day's Price Change.

FRIDAY'S ACTIVE STOCKS

Table of Friday's active stocks with columns for Stock, No. of Shares, and Day's Change.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices with columns for Equity Groups, Mon Sept 13 1982, and Year Ago.

FIXED INTEREST

Table of fixed interest rates with columns for Price Indices, Mon Sept 13, and Day's Change.

NEW HIGHS AND LOWS FOR 1982

Table of new highs and lows for 1982 with columns for Place and Local Unit, Value of Sterling, and Place and Local Unit.

OPTIONS

Money was given for the call in First National Finance, Combined Technologies, London and Liverpool, F. W. Woolworth, Britannia Arrow, P. & O. Deferred, British Aerospace, Carrington Viyella, Coalite, Lasso, MFL, Floy Oil, Rothmans International, UDS, John Brown, Mining Supplies and Pancontinental. Puts were taken out in Britannia Arrow, Nat West, British Home Stores, Tesco, Basc, Glass, Allied Breweries and E. P. Bulmer, while doubles were arranged in Coalite, London and Liverpool, GKN and First National Finance.

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies as at September 12 1982 in some cases rates are quoted from the Bank of England. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been quoted from those of the foreign currencies to which they are convertible.

Table of world value of the pound with columns for Place and Local Unit, Value of Sterling, and Place and Local Unit.

* Flat yield. Highs and lows record, base rates, values and confidence changes are published in Saturday issues. A new list of convertible currencies is available from the Publishers, The Financial Times, Bankers House, Cannon Street, London, EC4A 3DF, price 15p, by post 20p.

CURRENCIES and MONEY

Dollar firm

The dollar improved sharply in currency markets yesterday, underpinned by a rise in Euro-dollar rates after Friday's increase in U.S. money supply.

The dollar closed at a record high against the French franc and the Italian lira. Sterling was steady on its own, but weighed against the dollar by narrowing against European currencies.

STERLING - Trade-weighted index (Bank of England) 123.1 against 122.2 on Friday and 113.7 six months ago. Three-month Treasury bills 5.37 per cent (12.63 per cent six months ago).

yesterday's fixing in Frankfurt. The dollar rose to DM 2.5212 from DM 2.5029 and the Bundesbank said \$13.2m at the fixing.

ITALIAN LIRA - EMS weighted index 53.5 against 53.6 on Friday and 54.9 six months ago. Three-month interbank 18.1 per cent (20.1 per cent six months ago).

JAPANESE YEN - Trade-weighted index 129.6 against 130.5 on Friday and 136.7 six months ago. Three-month bills 7.265 per cent (5.5125 per cent six months ago).

THE POUND SPOT AND FORWARD

Table with columns: Sept 13, Day's movement, Close, One month, 3 months, 6 months. Rows include U.S., Canada, Mexico, etc.

THE DOLLAR SPOT AND FORWARD

Table with columns: Sept 13, Day's movement, Close, One month, 3 months, 6 months. Rows include UK, Ireland, Canada, etc.

CURRENCY MOVEMENTS

Table showing currency movements for Sterling, U.S. dollar, Australian dollar, etc.

OTHER CURRENCIES

Table showing other currencies including Argentine peso, Australian dollar, Brazilian cruzeiro, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various currencies.

EXCHANGE CROSS RATES

Table showing exchange cross rates for Pound Sterling, U.S. dollar, etc.

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 13)

Table showing FT London interbank fixing rates for 3 and 6 month U.S. dollars.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table showing Euro-currency interest rates for various currencies and terms.

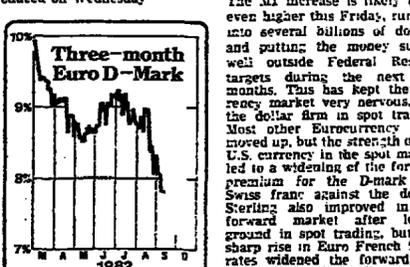
MONEY MARKETS

London rates firmer

UK clearing bank has lending rate 10 1/2 per cent. Interest rates had a slightly firmer tone in the London money market.

in Brussels the Belgian National Bank reduced rates on short-term Treasury certificates to a uniform 13 per cent.

Eurodollar interest rates increased yesterday, following Friday's rise of \$500m in U.S. money supply.



MONEY RATES

Table showing money rates for New York, Germany, and France.

LONDON MONEY RATES

Table showing London money rates for various terms and currencies.

ECGD Fixed Rate Sterling Export Finance. Local authorities and finance houses seven days' notice, others seven days fixed.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Large table listing various authorized trusts and their details, including Abbey Unit Trst, Anglo-Continental, etc.

Handwritten note: 10/1/1980

INSURANCES

Table of insurance companies and their products, including Asbury Life Assurance Co. Ltd., Amey Life Assurance Co. Ltd., and various life and general insurance policies.

INSURANCE & OVERSEAS MANAGED FUNDS

Main table of insurance and overseas managed funds, listing various fund names, managers, and performance metrics.

Table of overseas managed funds, including companies like Guinness Management Limited, Standard Life Assurance Company, and various international investment funds.

OFFSHORE AND OVERSEAS

Table of offshore and overseas funds, listing fund names and their respective managers.

Notes and disclaimers regarding the fund data, including information about data sources and the accuracy of the information provided.

INDUSTRIALS—Continued

Table of stock prices for various industrial companies, including columns for stock name, price, and change.

LEISURE—Continued

Table of stock prices for leisure-related companies, including columns for stock name, price, and change.

PROPERTY—Continued

Table of stock prices for property-related companies, including columns for stock name, price, and change.

INVESTMENT TRUSTS—Cont.

Table of stock prices for investment trusts, including columns for stock name, price, and change.

OIL AND GAS—Continued

Table of stock prices for oil and gas companies, including columns for stock name, price, and change.

MINES—Continued

Table of stock prices for mining companies, including columns for stock name, price, and change.

Advertisement for NOMURA International Limited, featuring the company logo and text describing its services in international securities and investment banking.

MOTORS, AIRCRAFT TRADES

Table of stock prices for motor and aircraft trade companies.

Commercial Vehicles

Table of stock prices for commercial vehicle companies.

Components

Table of stock prices for component companies.

Garages and Distributors

Table of stock prices for garage and distributor companies.

NEWSPAPERS, PUBLISHERS

Table of stock prices for newspaper and publisher companies.

PAPER, PRINTING ADVERTISING

Table of stock prices for paper, printing, and advertising companies.

PROPERTY

Table of stock prices for property companies.

INSURANCES

Table of stock prices for insurance companies.

LEISURE

Table of stock prices for leisure companies.

SHIPPING

Table of stock prices for shipping companies.

SHOES AND LEATHER

Table of stock prices for shoes and leather companies.

SOUTH AFRICANS

Table of stock prices for South African companies.

TEXTILES

Table of stock prices for textile companies.

TOBACCO

Table of stock prices for tobacco companies.

TRUSTS, FINANCE, LAND

Table of stock prices for trusts, finance, and land companies.

OVERSEAS TRADERS

Table of stock prices for overseas trader companies.

PLANTATIONS

Table of stock prices for plantation companies.

MINES

Table of stock prices for mining companies.

Central Rand

Table of stock prices for Central Rand mining companies.

Eastern Rand

Table of stock prices for Eastern Rand mining companies.

Far West Rand

Table of stock prices for Far West Rand mining companies.

O.F.S.

Table of stock prices for O.F.S. companies.

Finance

Table of stock prices for finance companies.

OIL AND GAS

Table of stock prices for oil and gas companies.

Diamond and Platinum

Table of stock prices for diamond and platinum companies.

NOTES

Notes section containing various financial notices and announcements.

REGIONAL AND IRISH STOCKS

Table of stock prices for regional and Irish stocks.

OPTIONS

Table of stock prices for options.

3-month Call Rates

Table of 3-month call rates.

Finance

Table of stock prices for finance companies.

Diamond and Platinum

Table of stock prices for diamond and platinum companies.

Handwritten text at the bottom of the page, possibly a signature or note.



COMPUTER MAKER SECURES BIGGEST OVERSEAS ORDER

ICL wins \$27m U.S. contract

BY GUY DE JONQUIERES

ICL, Britain's principal computer manufacturer, has won a \$27m (£15.8m) contract to supply small computer systems to New York State Department of Social Services.

to the New York Social Services will be produced at ICL's plant at Utica, in New York State, which has helped develop the system.

with IBM, for a smaller order worth about £1m for printing systems for the DVLC. ICL said that if it won the contract it would import printers made in West Germany by Siemens.

order, apparently after being told that it stood little chance of winning. The DVLC wants to start replacing its ageing computers next year, but ICL cannot offer a suitable machine until 1985.

Discreet speed-up for BL pay talks

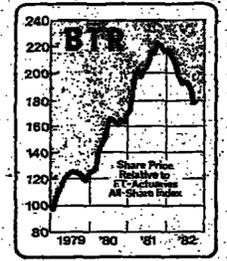
By John Lloyd, Labour Editor

BL CARS has agreed with manual workers an accelerated and discreet round of wage negotiations in the next month in an effort to avoid damage to its sales from large, highly-publicised wage claims accompanied by threats of industrial action.

THE LEX COLUMN

BTR rides the recession

Index fell 3.6 to 571.6



BTR has responded with characteristic vigour to flagging demand in its principal markets. Since the beginning of 1980, the group's UK workforce has dropped from 18,500 to 10,500, working capital has been tightly controlled and the profit momentum has consequently been well maintained.

management capacity, for which it published separate accounts. To complicate matters still further, Amey has just gone through a year when it was given free borrowings by its parent and is entering another period when it has to fund its own lending, so that interest charges are now yo-yoing wildly.

John Brown's share price slipped a penny yesterday to a new six-year low of 32p. It is difficult to assess how much of the gloomy atmosphere surrounding the stock relates to the U.S. sanctions over the supply of gas turbines to the USSR, and how much to the depressed general trading position. Logically, it should be the latter, since the sanctions—at least in their present form—do not seem to amount to much.

Mixed response for Lambsdorff

BY JONATHAN CARR IN BONN

COUNT OTTO LAMBSDORFF, the West German Economics Minister, has stirred up a hornets' nest with his weekend call for a new growth strategy for the country coupled with reduced state spending.

and made public at the weekend, the Economics Minister urged that the tax burden on business should be reduced and that there should be more public sector investment.

factor in West Germany's ability to retain its international competitiveness, the federation said.

election on September 26 that the comment caused little surprise.

Italy to ask for Gelli's extradition

By Rupert Cornwell in Rome

THE ROME authorities last night were preparing a formal demand for the extradition from Switzerland of Sig Licio Gelli, fugitive head of the disbanded P-2 freemasons' lodge, and a key figure in several of Italy's most serious recent scandals.

Consumer spending shows first real improvement in three years

BY ROBIN PAULEY AND DAVID CHURCHILL

SPENDING IN High Street shops increased for the third successive month in August, which is traditionally a flat month. The volume of retail sales is now at its highest point since 1979.

value of sales was 8 per cent higher than the value for the same period of 1981.

Retail Society, for example, recently stopped giving dividend stamps in its major food stores and has passed on the savings in the form of price cuts.

Amey Roadstone

True to form, Amey Roadstone has produced a very pretty annual report, with lots of figures to boot. But in between the moody shots of Middleton Hall's Georgian west wing, it is not easy to see what a course through what are, in fact, a number of accounting adjustments made for the benefit of Consolidated Goldfields, which owns all the Amey shares.

Beecham

How Nabisco Brands must love the limelight. It only has to identify those businesses that do not match its new corporate profile, but then up for sale—and there is a rich Britisher with an open cheque book.

Weather

UK TODAY: SUNNY intervals, some rain and fog. S.E. England, E. England, Central N. and S. England, Midlands Sunny intervals, mostly dry, cloudy later. Max. 22C (72F).

Citicorp accused

Continued from Page 1

enccompassed the conduct of Citibank—Citicorp's major subsidiary—with regard to taxation and banking regulations such as reserve requirements as well as questionable foreign exchange dealings, which were at the heart of the Edwards allegations.

Argentina

willing to enter full-scale talks with Argentina on restructuring its foreign debt until the payments had been received. Some added that money could come in in dribs and drabs which would make it very difficult to check on the amounts left outstanding.

Thousands of such transactions worth hundreds of millions of dollars were made between 1973 and 1980, the officials said.

Mr von Stein said the Citibank study carried annotations by Mr Walter Wriston, the chairman of Citibank. However, Mr Wriston later denied receiving a copy of the study.

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